

# OLYMPIA CAPITAL HOLDINGS PLC

## BOARD CHARTER





Olympia Capital Holdings Plc

Board Charter

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## 1. Definition of Terms<sup>1</sup>

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- **‘Ad Hoc Committees’** means "for this purpose". These are committees typically used in terms of establishing a temporary body to address a certain issue at the Company.
- **‘Board Member’/ ‘Director’** A member of a governing board that has overall responsibility for the management of an organization. A Board member oversees and advises management on issues facing the organization.
- **‘Board Policy’** means policy that guides a governing board's decision-making and sets a framework for operations.
- **‘Capital Markets’** Financial markets for the buying and selling of long-term debt or equity-backed securities. These markets channel the wealth of savers to those who can put it to long-term productive use, such as companies or governments making long-term investments.
- **‘Disclosures’** means the act of releasing all relevant information pertaining to a Company that may influence an investment decision of current and potential investors as part of the ongoing listing requirements for being listed at the Nairobi Securities Exchange.
- **‘Ex-Officio’/ ‘Non-voting member’** means the ex-officio member of the board that does not have the power to vote in board decisions.
- **‘Group’** means Olympia Capital Holdings Plc, its subsidiaries and associated companies.
- **‘Independent Advice’** means any form of advice that is given by someone who does not have any present dealings with the Company, its Directors, majority shareholders or its senior employees and would therefore not be pursuing to further his or her interests with the advice he/she would offer the Company.
- **‘Internal Control’** Internal control is the process, effected by the Company’s board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations.

<sup>1</sup> WORDS AND EXPRESSIONS DEFINED IN THIS CHARTER SHALL HAVE THE SAME MEANING AS CONTAINED IN IN THE CAPITAL MARKETS ACT (CAP 485 A), THE CAPITAL MARKETS (SECURITIES) (PUBLIC OFFERS, LISTING AND DISCLOSURES) REGULATIONS, THE CENTRAL DEPOSITORIES ACT, THE CODE OF CORPORATE GOVERNANCE PRACTICES FOR PUBLIC LISTED COMPANIES AND THE NAIROBI SECURITIES EXCHANGE LISTING MANUAL. ITS GOVERNANCE REQUIREMENTS AS WELL AS ASSISTING IN THE DELIVERY OF EXPECTED OUTCOMES AND RETURNS FOR SHAREHOLDERS AND STAKEHOLDERS.

- **‘Insider’** means any person who, is or was connected with a Company or is deemed to have been connected with a Company, and who is reasonably expected to have access, by virtue of such connection to unpublished information, which if made generally available would be likely to materially affect the price or value of the securities of the Company, or who has received or has had access to such unpublished information.
- **‘Material Matters’** include all transactions in the financial statements if their omission would otherwise influence the decisions of a person relying on the financial statements.
- **‘Mission Statement’** means a short and concise statement that defines the purpose of the Company.
- **‘Non-Executive Director’** means any member of the board who is not involved in the administrative operations of the Company.
- **‘Quorum’** means the minimum number needed for the board of an organization to conduct business. This number is defined in the Company’s Articles of Association.
- **‘Regulator’** means the Governmental agency or department that ensures compliance with laws, regulations and established rules.
- **‘Related Party Transaction’** means a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged or not. A related party is a person or entity that is related to the entity that is preparing its financial statements.
- **‘Risk Management’** means the process of understanding what the opportunities are and how best to optimize them as well as identifying, controlling and managing threats. This is to provide assurance that the organization is meeting
- **‘Standing Committees’** means the board committees established by an express decision of the Board or pursuant to any existing laws and regulation or by policy, and therefore permanent committees of the Board.
- **‘Shareholder Rights’** refer to the rights which a shareholder possesses when (s)he purchases the share of the Company. Shareholders have three groups of rights: information rights, voting rights and financial rights.
- **‘Stakeholder’** means a party that has an interest in an enterprise or project. The primary stakeholders in a typical corporation are its investors, employees, customers and suppliers. However, modern stakeholder theory goes beyond this conventional notion to embrace additional stakeholders such as the community, government and trade associations.
- **‘Stakeholder Relations’** involve development, coordination and implementation of marketing, communications, community relations, advocacy and stakeholder relations programs and strategic plans.

- **‘Substantial Shareholder’** means a person who holds not less than fifteen percent of the voting shares of a listed Company and has the ability to exercise a majority voting on an issue presented at a shareholders meeting.
- **‘Term’** means a fixed or limited period for which a director or a senior Company official would be permitted to hold his or her office in the Company.
- **‘Vision’** means what the Company intends to be and what the impact will be on its stakeholders. It expresses the ideal, long-term impact, scope and scale of the Company. The vision articulates "what" the Company hopes to be, but not "how" the Company will reach that vision.

## 2. Overview

### 2.1 Olympia Capital Holdings Plc

Olympia Capital Holdings Plc (OCHL) is a public Kenya-based holding Company incorporated under the Companies Act, 2015 of the Laws of Kenya. It has a majority shareholding in its subsidiaries involved with in the manufacture and sale of products used in the construction industry such as floor tiles, adhesives, UPVC windows and doorframes, cleaning chemicals as well as fire equipment, water pumps, and real estate.

Its subsidiaries include Mather+Platt (K) Ltd the leading fire systems and water pumps provider in East Africa and Avon Centre which is the real estate division of OCHL. Olympia Capital Holdings Limited also has a major stake in Heri Limited, which has a catalogue of real estate properties in Kenya. In Botswana OCHL has one subsidiary that is listed in the Botswana Stock Exchange (BSE) called Olympia Capital Corporation Limited (OCCL).



*Figure 1. Some of OCHL's Subsidiaries.*

### 2.2 Preamble

Corporate governance involves a set of relationships between a Company's management, its Board, shareholders, and other stakeholders. It is instituted to provide the structure through which the objectives of the Company are set, and the means of attaining those objectives and monitoring performance are determined. Good corporate governance should provide proper incentives for the Board and Management to pursue objectives that are in the interests of the Company and shareholders and should facilitate effective monitoring.

Corporate governance is only part of the larger economic context in which firms operate, which includes, for example, macroeconomic policies and the degree of competition in product and factor

markets. The applicable corporate governance framework also depends on the legal, regulatory and institutional framework. In addition, factors such as business ethics and corporate awareness of the environmental and societal interests of the communities in which the Company operates can also have an impact on its reputation and long-term success.

The seven characteristics that constitute good corporate governance are: -

1. **Discipline:** the commitment by a Company's Senior Management to adhere to behavior that is universally recognized and accepted to be correct and prudent.
2. **Transparency and Disclosure:** the ease with which an outsider is able to access information relating to the Company and to make meaningful analysis of a Companies Act, 2015ions, its economic details and the non-financial aspects pertinent to the business.
3. **Independence:** the extent to which mechanisms have been put in place to minimize or avoid potential conflicts of interest that may exist, such as dominance by a strong chief executive or large shareholder.
4. **Accountability:** Individuals or groups in a Company, who make decisions and take actions on specific issues, need to be accountable for their decisions and actions.
5. **Adherence to laws and regulations:** with regard to management, this pertains to compliance with applicable laws and regulations and implementing standards of relevant best practice. Behavior must allow for corrective action and for penalizing non-adherence or mismanagement. Responsible management would, when necessary, put in place what it would take to set the Company on the right path. While the Board is accountable to the Company's shareholders, it must act responsively to and with responsibility towards all stakeholders of the Company.
6. **Fairness:** the systems that exist within the Company must be impartial in taking into account all those that have an interest in the Company and its future. The rights of various groups

## PRINCIPLES OF GOOD CORPORATE GOVERNANCE

- Discipline
- Transparency and disclosure
- Independence
- Accountability
- Adherence to laws and regulations
- Fairness
- Social responsibility

have to be acknowledged and respected, and the Company must continually focus on stakeholder value free of favoritism.

7. **Social responsibility:** a well-managed Company will be aware of, and respond to, social issues while placing a high priority on ethical standards.

Companies with a governance system that protects all stakeholders tend to have higher valuations, because investors recognize that everyone will receive the due and respective return on their investment.

OCHL is committed to implementing and adhering to good corporate governance best practice. The Board of Directors of OCHL regard corporate governance as being vital to the success of the Company's market leadership. The Board's mandate (powers) is as set out in Article 88 to 97 of the Company's Articles of Association.

**T**he achievement of good corporate governance is certainly not an end in itself; the pursuit of governance for governance's sake. It is also not, as is widely misunderstood, mere compliance with recommended structures and the related disclosure. Good governance must surpass these to produce benefits and value for OCHL. Good corporate governance should provide proper incentives for the Board and Management to pursue objectives that are in the interests of the Group and its shareholders, facilitate effective monitoring and define how OCHL:

- **Sets corporate objectives, including generating economic returns to shareholders;**
- **Runs the day-to-day operations of the business;**
- **Considers the interests of recognized stakeholders; aligns corporate activities and behaviors with the expectation that the Company will operate in a safe and sound manner, and in compliance with applicable laws and regulations;**

Members of the Board of OCHL are committed to fulfilling their fiduciary responsibilities and have instituted various principles necessary to ensure that good governance is practiced with respect to dealings with the Company's shareholders, customers and other relevant stakeholders in line with the spirit of the Code of Corporate Governance for listed Companies.

### **2.3 Statement of Purpose**

The Board of Directors of OCHL is the body charged with the responsibility of ensuring that the Company is managed in a sound manner that fosters increased business profitability within an environment of good corporate governance. The Board will supervise the business and affairs of the Company to foster its long-term success and to maximize shareholder value in a manner that recognizes the interests of other stakeholders including the Company's clients and employees.

#### **2.3.1 Board and the Company**

The Board's responsibilities shall generally encompass the following aspects: -

- a) **Powers of the Board:** Exercise of the Powers of the Board as defined in the Company's Articles of Association.
- b) **Compliance Management:** The Board shall ensure that the Company is fully and continuously compliant with the provisions of the Companies Act, 2015 of the Laws of Kenya, the Nairobi Securities Exchange Listing Manual (continuous listing obligations), the Capital Markets Act (Cap 485 A), the Central Depositories Operation Rules (2003), the Code of Corporate Governance Practices for Issuers of Securities to the public, and any other legislation applicable to the Company.
- c) **Performance Management:** The Board is responsible for reviewing and approving the business strategic and policy objectives, providing the necessary leadership and oversight to the general performance of the Company and the Board through constant evaluation, succession planning, reporting to stakeholders and guiding the Chief Executive Officer.
- d) **Public Relations Policy:** The Board shall provide oversight of the implementation of the Public Relations policy of the organization with respect to proactive management of stakeholder relationships as appropriate.
- e) **Board Audit & Risk Management:** The Board shall oversee the group's internal Board Audit & Risk management systems of the group and will carry out periodic assessments either directly or through an outsourced arrangement.

The Board, accordingly, commits itself to adopting the principles of good Corporate Governance, as part of its obligations to the Company.

The purpose of this Board Charter is to set out the basic principles of good Corporate Governance and to assist the Board and its committees in exercising their responsibilities.

## 3. Roles & Responsibilities

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### 3.1 Duties and Responsibilities of the Board

The Board shall:

- Provide effective leadership in collaboration with the executive management team;
- Facilitate the set-up of appropriate corporate governance structures for the management of the business operations;
- Establish Board Committees, policies and procedures that shall facilitate the most effective discharge of the Board's roles and responsibilities;
- Review and approve the Company's annual budget proposed by the Executive management team including the Company's financial objectives, plans, and actions, including significant capital allocations and expenditures;
- Facilitate Board accountability through effective Board evaluation and succession planning;
- Select, monitor, evaluate, compensate, and if necessary, replace the Chief Executive Officer and the Senior Management team.
- Plan for the succession to the position of the Chief Executive Officer and the Senior Management team.
- Review and approve management's strategic and business plans, including developing a depth of knowledge of the OCHL's business, understanding, and questioning the assumptions upon which such plans are based, and reaching an independent judgment as to the probability that the plans can be realized;
- Ensure that the key strategic risks of OCHL are identified, evaluated and mitigation plans set up, and their on-going status and management effectively monitored;
- Ensure that appropriate and effective risk management and internal control processes operate in the Company;
- Monitor corporate performance against the strategic and business plans, including overseeing the operating results on a regular basis to evaluate whether the Company is being properly managed;
- Ensure ethical behavior and compliance with laws and regulations, auditing and accounting principles, and the Company's own governing documents;
- Assess its own effectiveness in fulfilling these and other Board responsibilities; and;
- Perform such other functions as are prescribed by law or assigned to the Board in the Company's Articles of Association.

In essence, therefore, it is the Board's role to "govern" OCHL (as opposed to being responsible for the "execution and management" of activities), thereby giving effect to transparent accountability for the wellbeing and performance of OCHL to the shareholders and stakeholders.

## 3.2 Officers of the Board

### 3.2.1 The Role of the Board Chair

**T**he Chairman of the Board shall be **elected by the full Board** in accordance with Article 111 of the Company’s Articles of Association.

Except as may be otherwise agreed by the major shareholders, the Chair of the Board shall be an **independent Non-Executive Director**, elected by the full Board.

The Board Chairman’s primary role shall be to direct the Board’s business and act as its facilitator and guide. The specific responsibilities of the Chairman will include:

- Providing leadership to the Board;
- Chairing Board Meetings, which involves determining the agenda and ensuring that the Directors receive accurate, timely and clear information, and ensuring that the Board has an effective decision-making framework;
- Chairing meetings of members, including the annual general meeting;
- Keeping track of the contribution of individual Directors and ensuring visible participation;
- Monitoring the activities of Board Committees;
- Engaging the Board in assessing and improving its performance and that of the Chief Executive Officer.
- In consultation with the Chief Executive Officer, approve or delegate authority for the approval of all material releases to be submitted to the Capital Markets Authority and other investor releases;
- Acting as the primary channel of communication and point of contact between the Board and the Chief Executive Officer; and to provide guidance and mentoring to the Chief Executive Officer;

It is envisaged that the normal term for a chairman will be **5 years**, renewable upon proof of satisfactory performance.

### 3.2.2 The Role of the Chief Executive Officer

The Chief Executive Officer is **appointed by the Board**, and it is the Board that sets the terms and conditions of the employment contract.

**I**t is the Chief Executive Officer’s responsibility to **manage the day-to-day operations** of the Company and ensure that it meets and achieves its strategic, business, operating and financial objectives; as an “execution and management” role.

The **Chief Executive Officer and the Executive Management** team are accountable to the Board of Directors, who act on behalf of the shareholders and other stakeholders, for the effective achievement of the Company’s business plans and objectives.

Specific roles and responsibilities of the Chief Executive Officer include but are not limited to the following:

- Developing and recommending to the Board annual business plans and budgets that support the Company’s long-term strategy;
- Fostering a corporate culture that promotes ethical practices, encourages individual integrity, and fulfils social responsibility;
- Maintaining a positive and ethical work climate that is conducive to attracting, retaining, and motivating a diverse group of top-quality employees at all levels;
- Developing and recommending to the Board a long-term strategy and vision for the Company that leads to the creation of shareholder value;
- Ensuring that the day-to-day business affairs of the Company are appropriately managed;
- Consistently striving to achieve the Company’s financial and operating goals and objectives;
- Ensuring continuous improvement in the quality and value of the products and services provided by the Company;
- Ensuring that the Company achieves and maintains a satisfactory competitive position within the Consumer/Manufacturing industry locally, regionally and internationally;
- Ensuring that the Company has an effective executive management team below the level of the Chief Executive Officer, and has an active plan for its development and succession;
- Ensuring, in co-operation with the Board, that there is an effective succession plan in place for the Chief Executive Officer position;
- Formulating and overseeing the implementation of fundamental corporate policies;
- Serving as the official spokesperson for the Company; and
- Overseeing the induction of new board members.

### 3.2.3 The Role of the Company Secretary

**T**he Board shall appoint the Company Secretary who will be accountable to the Board on all Corporate Governance matters. He/she is responsible for ensuring that the Board Charter is duly followed. The Company Secretary’s roles and responsibilities will include the following:

- Providing a central source of guidance and advice to the Board on matters of ethics, statutory compliance, compliance with the regulators and good governance;
- Providing the Board as a whole and directors individually with detailed guidance as to how their responsibilities should be properly discharged in the best interests of the Company;
- Facilitating the induction training for new directors and assist with directors’ professional development as required. This includes identifying and facilitating on-going Board education;
- In consultation with the Chief Executive Officer, ensure effective information flows within

the board and its committees and between senior management and non-executive directors. This includes setting the timeliness of compilation and distribution of Board papers and minutes and communication of resolutions from Board meetings;

- Seeing to the proper development of Board meetings and providing directors with clear advice and information.
- Assisting the Chairman in ensuring that regular assessments on the effectiveness of the Board and its committees, as well as the contribution of individual Directors, are carried out.
- Guiding the Company in taking the initiative to not only disclose corporate governance matters as required by law and Codes of Corporate Governance, but also those of material importance to the decision-making of institutional investors, shareholders, customers and other stakeholders.

### 3.2.4 Liabilities of Directors

Directors' Liabilities can be summarized as follows: -

**a) Liability to Outsiders** - Directors are not personally liable to outsiders if they act within the scope and powers vested in them by the various constitutive documents. The general rule is that wherever an agent is liable, those directors would be liable, but where liability would attach to the principal only, the liability is the liability of the Company. The directors would be personally liable to third parties in the following cases: -

- They contract with outsiders in their own personal capacity.
- They contract as agents of undisclosed principals.
- When they act *ultra vires* to the Company's governing documents.

In default of statutory duties, **directors shall be personally liable** for failing to meet their roles as outlined in the Companies Act, 2015 of the Laws of Kenya.

**b) Liability to the Company** - The directors shall be liable to the Company in the following cases: -

- Where they have acted *ultra vires* the Company, for example, they have applied the funds of the Company to objects not specified in the Memorandum or when they pay dividends out of share capital.
- When they have acted negligently –negligence may give rise to liability, there need not be fraud.
- Where there is a breach of trust resulting in a loss to the Company, they are bound to make good the loss.
- Misfeasance - Willful misconduct or willful negligence.

**c) Criminal Liabilities** - The Companies Act, 2015 provides penalties by way of fine or imprisonment particularly when directors omit to comply with or contravene certain provisions of the act or any legislation instituted in Kenya.

### 3.2.5 Directors' Liability Insurance (Professional Indemnity)

The Company effect a Professional Indemnity cover to protect Directors or professionals carrying out the Company business in the event of claims made by clients or third parties. The Indemnity cover should protect an individual in the event of claims being made against him/her for alleged wrongful acts in their capacity as a Director or Officer or against the Company.

In addition to the above, the policies should cover legal and other costs and expenses incurred by any person who holds a position as a Company Director.

# 4. Board Structure and Constitution

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## 4.1 Board Composition

### 4.1.1 Board structure

OCHL BOARD STRUCTURE	Executive Director	There are three types of Directors within OCHL’s structure.
	Non-executive Director	• <b>Executive Director</b> – refers to a director who has definable management responsibilities in addition to their functions as Directors and is a full-time salaried employee of OCHL.
	Independent Non-executive Director	

- **Non-executive Director** – refers to any Director who is not involved in the day-to-day management of the business and is not a full-time salaried employee of OCHL
- **Independent Non-executive Director** – refers to a director who is (i) not involved in the day-to-day management of OCHL, (ii) does not represent any shareholder interest (iii) has no material financial interest/relationship with the Company and (iv) has not been with the company for a period of more than nine (9) years.

### 4.1.2 Board Size

The Board composition enables effective oversight of the Executive Management. The number of Directors allows the Board to have fruitful discussions and to make appropriate, swift and prudent decisions.

The current size of the Board is defined by the Company’s Articles of Association which permits a minimum of two (2) and a maximum of seven (7) Directors to be appointed to the Board. The Company’s Articles of Association empowers the shareholders, through a shareholders’ meeting, to review the minimum and maximum number of Directors.

The Board of OCHL shall be composed of both executive, Non-Executive and Independent Directors, the **majority of whom shall be non-executive and independent directors**. Independent and Non-Executive Directors should be **at least one-third of the total** number of Board members. The Board composition will be such that it will fairly reflect the Company’s shareholding structure as a mechanism for accommodating all shareholder interests.

### 4.1.3 Independent/Non- Executive Directors<sup>2</sup>

The Board believes that independent non- executive Directors on the OCHL Board should be adept in at least one area of governance, finance, business, economics, strategic management, and law for

their views to positively impact or influence the Board's decisions.

The Board should determine who the independent members are on an annual basis. Independent Board members bring independent and objective judgement to the Board, and this mitigates risks arising from conflict of interest or undue influence from interested parties. The Board Chairman should be an independent Board member.

**A**n independent Board member is one who:

- Has not been employed by the Company in an executive capacity within the last three years;
- Is not associated to an adviser or consultant to the Company or a member of the Company's Senior Management or a significant customer or supplier of the Company or with a not-for-profit entity that receives significant contributions from the Company; or within the last five years, has not had any business relationship with the Company (other than service as a director) for which the Company has been required to make disclosure;
- Has no personal service contract(s) with the Company, or a member of the Company's Senior Management;
- Is not employed by a public listed company at which an executive officer of the Company serves as a director;
- Is not a member of the immediate family of any person described above; or has not had any of the relationships described above with any affiliate of the Company;
- Is not a representative of a shareholder who has the ability to control or significantly influence Management;
- Is free from any business or other relationship which could be seen to interfere materially with the individual's capacity to act in an independent manner;
- Does not have a direct or indirect interest in the Company (including any parent or subsidiary in a consolidated group with the Company) which is either material to the director or to the Company. A holding of five (5%) percent or more is considered material;
- Does not hold cross-directorships or significant links with other directors through involvement in other companies or bodies; and
- Has not served for more than nine (9) years since they were first elected.

***Each independent Director will notify the Chairman, as soon as practicable, of any event, situation or condition that may affect the Board's evaluation of his or her independence.***

<sup>2</sup> PROVISIONS WITH RESPECT TO INDEPENDENT / NON – EXECUTIVE DIRECTORS ARE AS PROPOSED IN THE CODE OF CORPORATE GOVERNANCE PRACTICES FOR PUBLIC LISTED COMPANIES IN KENYA

#### 4.1.4 Appointment of Directors in Subsidiary and Associate Companies

The Board of OCHL will be responsible for the nomination of Directors to sit on the Board of Directors of its Subsidiaries and Associate Companies. The appointment(s), once approved by the Board of Directors of Olympia Capital Holdings Plc, shall be communicated to the Board(s) of the respective Subsidiaries/Associate Companies in writing together with the terms and condition of the appointment. The appointment will then be confirmed through a Board resolution of the respective entity for purposes of formalizing the appointment.

Where deemed necessary, the OCHL Board shall cause certain shareholders reserved matters to be stipulated in the respective Articles of Association of its Subsidiaries and/or Associate companies for purposes of safeguarding the shareholder interests of the Company.

The **Shareholders reserved matters** will relate to but are not limited to the following: -

- i. Any **change in the capital structure** of the Company including any increase or reduction in the authorized or issued share capital of the Company or any other action, that may alter or change the rights, privileges or preferences of any of the shares of the Company, including the issuance and/or redemption of shares, capital stock or securities of any class (whether initially or subsequently authorized), the authorization of any additional capital stock or securities of any class, the granting of options or warrants to purchase the capital stock or other securities of the Company, and including any decision with respect to the procedures, terms and conditions thereto (together “Change in Capital Structure”);
- ii. making any **change to the business** of the Company;
- iii. any **proposal to amend** the Company’s Memorandum and Articles of Association;
- iv. incurring any **single item of capital expenditure or investment by the Company exceeding** United States Dollars one hundred thousand (USD 100,000) or the local currency equivalent;
- v. incurring any **liability which would exceed** United States Dollars one hundred thousand (USD 100,000) or the local currency equivalent;
- vi. incurring any **borrowings in excess** of United States Dollars one hundred thousand (USD 100,000) or the local currency equivalent;
- vii. making any **change in the accounting policies** followed by the Company;
- viii. **giving any guarantee, surety ship or indemnity** related to the Company for any person.
- ix. **winding up or dissolution** of the Company;
- x. **Merger, consolidation, reconstitution, corporate reorganization or sale of control** of the Company, or any transaction in which **all or substantially all of the assets** of the Company are sold or exclusively licensed.

## 5. Board Operations

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### 5.1 Board Membership

#### 5.1.1 Board Membership Criteria

There is a formal and transparent procedure in the appointment of Directors to the Board and all persons offering themselves for appointment as Directors should disclose any potential area of conflict that may undermine their position or service or impair their independence as Director.

The **Board Human Resources & Governance Board Committee** is responsible for reviewing with the Board, on an annual basis, the appropriate skills and characteristics required of Board Members considering the Board's current constitution. **Final approval of a candidate as a Director of the Company is determined by the full Board.**

A person shall be considered a Board member as a result of the following:

- Through appointment (through the Board, major shareholders or an Executive Director by way of a fixed term contract)
- Through election by the shareholders (for Independent Directors).

Prior to appointment or election, the personal and professional background of the proposed Board member shall be scrutinized for suitability, with absolute regard to integrity and reputation. The Board shall define the retirement of a Director in accordance with the provisions of the Company's Articles of Association, the Companies Act, 2015 and the Capital Market Authority Guidelines/Codes of Corporate Governance in place from time to time. However, the Board may also exercise its discretion in defining retirement requirements applicable to isolated individual cases. Disclosure will be made to the shareholders at the Annual General Meeting (AGM) and in the annual reports of all Directors approaching the retirement age in that respective year.

In assessing potential new Directors, the Committee will consider individuals from various disciplines and diverse backgrounds. The process will also be sensitive to gender representation.

The Company's need for particular backgrounds and experience may change over time. Therefore, the Board will continue to monitor the mix of skills and experience that Directors bring against established Board membership criteria to assess, at each stage in the life of the Company, whether the Board has the necessary skillset to perform its oversight function effectively.

In addition, Directors must spare time available to devote to Board activities and to enhance their knowledge of OCHL and the local, regional and global consumer/manufacturing industry.

To assist in the identification and evaluation of qualified Directors, the Company may utilize the

services of external consultants as may be considered appropriate.

The Board Human Resources & Governance Committee shall annually review the membership criteria and modify them as appropriate.

### 5.1.2 Selection of New Directors

As required by Article 106 of the Company's Articles of Association, **the Directors shall have power to appoint either an Executive Director or a Director of the Company** on such terms and conditions as the Board may think fit. The Board itself is responsible for selecting Independent Directors and recommending them for election by the shareholders at a shareholders' meeting.

Whichever way a Director is nominated, he or she has to undergo **a formal screening process by the Board Human Resources & Governance Committee, with direct input from the Chairman and the Chief Executive Officer.** The Committee will also consider nominees recommended by the shareholders. The Committee uses the same criteria for screening candidates proposed by shareholders and/or those proposed by members of the Board. Between AGMs, the Board may appoint Directors to serve until the next AGM as per the Articles of Association. Every appointed Director shall meet the fit and proper requirements as set out in section 52 of the Capital Markets (Licencing Requirements) (General) Regulations, 2002.

### 5.1.3 Invitation to a Potential Director to Join the Board

The invitation to join the Board is extended by the **Board itself via the Chairman.** A formal letter of appointment as an executive or non-executive Director shall be issued for every new Director. At minimum, the appointment letter shall cover the following:

- **Appointment period;**
- **Expected time commitment;**
- **Roles and responsibilities;**
- **Director's Fees/Remuneration;**
- **Declaration of outside interests;**
- **Confidentiality;**
- **Director's induction process; and**
- **Performance evaluation process.**

A Director may, subject to the approval of the Board and in accordance with Article 117 of the Company's Articles of Association, appoint an Alternate to act in his/her place at any meeting of the Board.

#### 5.1.4 Resignation and/or Removal of a Director

The Company's Articles of Association and the Companies Act, 2015 provides as following with respect to the disqualification, resignation or removal of a Director:

The office of a Director is vacated if the Director:

- **Ceases to be or is prohibited from being a Director by virtue of any provision of the Companies Act, 2015;**
- **If (not being an Executive Director holding office as such for a fixed term) he resigns from his office in writing under his hand left at the office;**
- **If adjudged bankrupt or a receiving order is made against him or he compounds with his creditors; • If he becomes incapable by reason of mental disorder of exercising his /her functions as Director;**
- **Has been absent, either in person, or by his alternate, without the permission of the Board, for more than six months from meetings of the Board and the Board resolves that his office should be vacated; or**
- **If he is requested in writing by all his co-Directors to resign.**

The resignation by a serving Director shall be disclosed in the annual report together with the details of the circumstances necessitating the resignation in the resignation year.

Except in the case of removal or resignation of a Director, where it is required that the Board notifies the Capital Markets Authority (CMA) within 24 hours of such removal or resignation, the Board shall sufficiently notify the Capital Markets Authority (CMA) or such other regulatory institution as required by law, from time to time, before appointing a new Director or Chief Executive Officer.

#### 5.1.5 Limits on Outside Board Membership

Subject to the requirements under the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations 2002;

- **The Chairman of the Company shall not hold such a position in more than two (2) public listed companies at any one time.**
- **Except as may be otherwise permitted by the major shareholders, no Director of the Company other than a corporate director is allowed to hold the position of a Director in more than three public listed companies licensed under the Capital Markets Authority (CMA) Act unless the said institutions are subsidiaries or holding companies of OCHL.**
- **Where a corporate director has appointed an alternate director, the appointment of such alternate shall be restricted to two public listed companies at any one time.**
- **An Executive or Managing Director of the Company shall be restricted to one other directorship of another listed Company; and**
- **The Board Audit & Risk Committee shall be made up of at members of the Board, who shall not serve in similar committees by whatever name called, in more than two public listed companies**
- **No Director shall be permitted to hold the position of a Director in a competing entity with**

the Company.

- Before accepting an additional Board position in any other organization, a Director shall consider whether the acceptance of the new Directorship will compromise his/her ability to perform present responsibilities at OCHL.
- It is expected that Directors will inform the Chairman of the Board prior to accepting a seat on the Board of another entity.

#### 5.1.6 Age Limits

Subject to the provisions of this section 123 of the Companies Act, 2015, no person shall be capable of being appointed a director of a company who has not attained the age of eighteen (18 years). There **shall not be a maximum age** limit for the Directors of the Company.

#### 5.1.7 Term Limits

**All directors** (including the Chairman) shall have a fixed tenure of office and shall be required to retire from the Board regularly, at least once every three years, with a provision that they could offer themselves for re-election based on a pre-determined policy and criteria.

In view of the foregoing, **all the independent Directors**, shall serve for a maximum of three (3) terms of three (3) years each, subject to applicable law. In special circumstances, an independent director may be requested to serve for more than nine (9) years in the event that his/her exit may create a vacuum. **Any director who serves in the position of a director for over nine (9) years shall not qualify to be considered as an independent director.**<sup>3</sup>

Certain Executive Directors, including the Chief Executive Officer, are engaged in fixed-period service/employment contracts that are approved by the Board and are not subject to rotation per the Articles of Association.

<sup>3</sup>TERMS LIMITS PRESCRIBED FOR INDEPENDENT DIRECTORS ARE CONSISTENT WITH THE PROVISIONS CITED IN RECOMMENDATION 1.4.2 OF THE CODE OF CORPORATE GOVERNANCE PRACTICES FOR PUBLIC LISTED COMPANIES IN KENYA.

### 5.1.8 Director Induction, Orientation & Continuing Education

The Board (through the offices of the Chief Executive Officer and Company Secretary) and management shall conduct a comprehensive induction and orientation process for new Directors to acquaint them with the Company's vision, strategic direction, core values, financial matters, corporate governance practices and other key policies and practices. This may be achieved through a review of the Company's Memorandum and Articles of Association, Board Charter, Minute Books, any relevant background material, meetings with senior management and visits to the Company's key facilities.

The Board also recognizes the importance of continuing education for its Directors and is committed to providing such education in to improve both Board and Committee performance. The Board acknowledges that such continuing education may be provided in different forms including: external or internal education programs, presentations or briefings on particular topics, educational materials, meetings with key management and visits to the Company's key facilities.

**I**t is the policy of the Board that **continuing education is undertaken at least once in every two years**, provided that each Director shall be required to undertake suitable awareness sessions on prevailing corporate governance matters at least once a year.

The Company encourages Directors to take advantage of educational opportunities on an ongoing basis to enable them perform their duties better and to keep themselves informed about developments in areas such as the Consumer/Manufacturing industry, corporate governance and Director responsibilities.

The Board shall endeavor to hold periodic workshops to discuss the Company's strategic direction. The Chairman, in consultation with the CEO, shall regularly include items to the Board meeting agendas that support the familiarization of the Board members with current developments in the industry.

### 5.2 Independent Advice

The Board shall approve a procedure in terms of which any Director may seek and obtain independent professional advice, at the expense of the Company, where there is doubt as to whether a proposed course of action is consistent with their fiduciary duties and responsibilities. The following points will act as a guide to the procedures to be followed: -

- (a) A Director must seek the prior approval of the Chairman before seeking the advice. In so doing, the Director must provide the Chairman with details of:**
  - a. the nature of the independent professional advice;**
  - b. the likely cost of seeking the independent professional advice; and**
  - c. details of the independent adviser he or she proposes to instruct.**
- (b) The Chairman in consultation with the other Board members may prescribe a reasonable limit**

- on the amount that the Company will contribute towards the cost of obtaining such advice;
- (c) All documentation containing or seeking independent professional advice must clearly state that the advice is sought both in relation to the Company and to the Director in his or her personal capacity. However, the right to advice does not extend to advice concerning matters of a personal or private nature, including for example, matters relating to the Director's contract of employment with the Company (in the case of an executive Director) or any dispute between the Director and the Company; and
  - (d) The Chairman may determine that any advice received by an individual Director will be circulated to the rest of the Board.

## 5.3 Board Meetings

### 5.3.1. Frequency of Board Meetings

The Board shall meet **at least four times annually**, or more frequently as it deems necessary to carry out its responsibilities. The meetings shall be held in person, by video conference and/or other remote meeting technologies agreeable to all Board members.

### 5.3.2. Notification of Meetings and Agenda Items

The Board has the sole authority over its agenda and exercises this through the Chairman. Any member may, through the Chairman, request the addition of an item to the agenda. The Chairman in consultation with the Chief Executive Officer and the Company Secretary will set the agenda.

The Company Secretary shall be responsible for issuance of proper notices of meetings, preparation of agenda and circulation of relevant papers. Such notification will be sent at least ten days in advance; however, should there be urgent matters to be discussed the ten days' notice requirement may be waived with the Chairman's prior approval.

### 5.3.3. Attendance at Meetings and Minutes

Every Director has a duty to attend Board meetings regularly and to effectively participate in the conduct of the business of the Board.

Every member of the Board should attend at least 75% of the Board meetings of the Company in any financial year. Attendance is disclosed in the Annual Report. At a full meeting of the Board, the Directors shall review the suitability of a Non-Executive Director who has failed to comply with the 75% attendance rule, without compelling reason.

The quorum necessary for the transaction of business of the Board shall be a two-third majority of the entire Board of Directors present either personally or by proxy.

Video conferencing or such other remote conference solution will be used to hold meetings where to do so would not jeopardize or prejudice the agenda of the meeting or expected deliberations. Such alternatives will not wholly substitute the traditional method of holding board meetings. Physical presence during meetings is an integral part of an effective meeting and will therefore continue to remain the main mode of holding meetings, even if video conferencing is embraced; and

The Company Secretary shall be responsible for keeping minutes, which provide an accurate record of the names of all persons present, deliberations and resolutions of all Board and Committee Meetings. The minutes of the Meetings shall be considered at the next meeting, approved and signed by the Chairman of the meeting.

#### 5.3.4. Attendance of Senior Management Personnel at Board Meetings

The Board expects the regular attendance at each of its meetings of non-Board members who are in the most senior management positions of the Company. Where the CEO intends to invite additional people as attendees on a regular basis, it is expected that this suggestion shall be made to the Board for its concurrence.

### 5.4 Conduct of Meetings

The Board shall conduct its Board, Committee and any other ad hoc and special meetings, together with any matters' ancillary thereto in accordance with the provisions outlined in the Standing Orders annexed to this Board Charter.

### 5.5 Board Committees

The Board shall establish committees to enable it carry out its governance roles and responsibilities effectively and efficiently. The Committees shall have terms of reference which shall be consistent with this Charter. The Board currently has four Committees whose mandates are summarized as follows:

#### 5.5.1. Board Audit & Risk Committee

The Board has established a Board Audit & Risk Committee comprised at least three (3) and not more than five (5) non-executive directors who shall report to the Board. The Committee shall be expected to adhere at all times to the Terms of Reference appended to this Charter, which shall clearly detail its authority and duties.

The Chairman of the Board Audit & Risk Committee shall be an independent and non-executive director. The mandate of the Board Audit & Risk Committee shall include the responsibilities relating to **the financial statements, internal audit/whistleblowing, risk management, internal**

**controls, external audits and compliance.**

The mandate of the Board Audit & Risk Committee will be as summarized in a Terms of Reference that will be adopted by the Board of Directors.

#### 5.5.2. Board Human Resources & Governance Committee

The Board has appointed a Board Human Resources & Governance Committee consisting mainly of independent and non-executive Board members with the responsibility of **the development of a comprehensive human resources, nominations and corporate governance framework** that will ensure the achievement of OCHL's overall strategy, vision, mission and objectives for the Company and its subsidiaries. The Committee is chaired by an independent non-executive director.

The mandate of the Board Human Resources & Governance Committee will be summarized in a Terms of Reference that will be adopted by the Board of Directors.

#### 5.5.3. Board Business & Strategy Committee

The Board has established a Board Business & Strategy Committee whose primary purpose is to **provide guidance and oversight over OCHL's strategy development, establishment of Strategic Business Units, development of projects and monitoring the performance of OCHL's investments.** The Committee will assist the Board in reviewing investment policies, strategies and performance of the Company and its subsidiaries. The Committee shall be expected to adhere to the Terms of Reference appended to this Charter, which clearly details its authority and duties.

#### 5.5.4. Ad-Hoc Committees

The Board may form ad hoc or special committees **to deal with specific matters for a defined term.** The Board shall retain an oversight authority over such committees and disband them as necessary.

*The Chairman of a Board Committee must be a non-executive director.*

*Each Committee Chair, in consultation with Committee members, determines the agenda, frequency and length of the meetings of each Committee; which exercise shall be conducted at the beginning of each year, or such other time as may be deemed necessary.*

## 5.6 Board Development

### 5.6.1 Management Development and Succession Planning

Long term planning for Chief Executive Officer and senior management development and succession is a critical function of the Board. The Board and its Remuneration Committee shall identify and keep a regular update of the qualities and characteristics necessary for an effective Chief Executive Officer. With these principles in mind, the Board periodically monitors and reviews the development and progression of potential internal candidates against these standards.

Working with the Chief Executive Officer, the Board should see that plans are in place for contingencies or unexpected vacancies in the Chief Executive Officer or senior management offices. The Board will encourage succession planning within the Company through encouraging senior management to attend Board meetings by invitation.

## 5.7 Board interactions

Except for the Chief Executive Officer (CEO), no member of the Board shall be directly involved in the day-to-day management of the business activities. Any intended involvement shall be through the CEO. The Company shall keep separate the role of the Chairman and Chief Executive Officer to ensure a balance of power and authority and provide for checks and balances.

### 5.7.1 Board Relationship with Senior Management

From time to time, the Board may encourage the Chief Executive Officer to bring senior management into Board meetings. Selection of such managers shall include those who:

- i. **are in a position to provide additional insight into the matters before the Board because of personal involvement in these areas, and/or**
- ii. **have future potential and, in the opinion of Senior Management, should be given exposure to the Board.**

### 5.7.2 Board Access to Senior Management

Directors have full and free access to the books and records of the Company.

Non-executive Directors have access to management and may even meet separately with management, with the permission of the Board/Board Committee and the information of the CEO. It is assumed that Board members will use their discretion to ensure that such contact does not interfere with the prudential and objective operations of management.

### 5.7.3 Board's Interaction with Stakeholders

The Board believes that as a general matter, management speaks for the Company. Individual Board

members may meet or otherwise communicate with various constituencies that are involved with OCHL with the permission of the Board/Board Committee. Where authoritative comments from the Board are required, they should, in most circumstances, come from the Chief Executive Officer.

There should be a dialogue with shareholders based on the mutual understanding of objectives. The Board as a whole has responsibility for ensuring that a satisfactory dialogue with shareholders takes place.

Whilst recognizing that most shareholder contact is with the CEO, the Chairman shall maintain sufficient contact with major shareholders to maintain critical contact with them and to understand their interests and concerns.

The Chairman shall ensure that the views of shareholders are communicated to the Board as a whole. Non-executive Directors shall be offered the opportunity to attend meetings with major shareholders.

## **5.8 Performance Evaluation**

### **5.8.1 Evaluation of the Board**

The Board shall maintain an effective mechanism for evaluating its performance on a continuing basis. This includes an assessment of the effectiveness of the full Board, the operations of Board committees and the contributions of individual Directors.

The Chairman shall, personally or through delegating to a committee, ensure regular assessments of the effectiveness of the Board and its committees, as well as the contribution of individual Directors, are carried out. The results of the assessment of the Board and its committees are reported to the full Board. Results of individual assessments are given to individual Directors to help them enhance their contribution.

Regular assessment of the Board's effectiveness, and the contribution of individual Directors, is essential to improve governance practices. The focus of such assessments is to:

- Assess the way in which the Board operates;
- Check that important issues are suitably prepared for and discussed; and
- Measure the actual contribution of each Director to the Board's work through his or her competence and contribution to discussions.

Disclosure shall be made in the annual report that such evaluations are indeed carried out.

The Board Human Resources & Governance utilizes the results of this evaluation process in determining the characteristics and assessing critical skills required of prospective candidates for election to the Board and making recommendations to the Board with respect to assignments of Board members to various committees.

The Chairman should confirm to shareholders when proposing re-election that, following formal performance evaluation, the individual's performance continues to be effective and to demonstrate commitment to the role.

#### 5.8.2 Evaluation of the Chief Executive Officer

The Board shall annually conduct a formal evaluation of the Chief Executive Officer, which is communicated to the Chief Executive Officer by the Chairman. The evaluation should be based on objective criteria including performance of the business, accomplishment of long-term strategic objectives and development of management. The evaluation is used by the Board Human Resources & Governance Committee in the course of its deliberations when considering the compensation of the Chief Executive Officer.

#### 5.8.3 Committee Performance Evaluation

Each Board Committee shall perform an annual evaluation of its performance, including a review of its compliance with the Committee's own charter. The purpose of such reviews is to increase the effectiveness of the Committees. The results of the evaluation are reported to the full Board.

#### 5.8.4 Governance Audit<sup>4</sup>

The Board shall ensure that it subjects the Company to an annual governance audit by a competent and recognized professional to ensure that the Company was exercising best Corporate Governance practices.

### 5.9 Directors' Confidentiality

Information concerning the Company, which is communicated to the Directors in confidence in connection with their functions, is provided in consideration of the person as a Director. Directors must personally take the necessary precautions to preserve the confidentiality of such information and not divulge it except where permitted to do so, by the Chairman.

The Board shall also facilitate the development and review of the Company's information disclosure policies to ensure only correct and appropriate information gets to the stakeholders.

<sup>4</sup> RECOMMENDATION 1.7.5. OF THE CODE OF CORPORATE GOVERNANCE PRACTICES FOR PUBLIC LISTED COMPANIES IN KENYA

## 5.10 Conflict of Interest

The Directors of the Company are under a fiduciary duty to act honestly and in the best interest of the Company. The Directors shall avoid putting themselves in the positions where their self-interests conflict with their duty to act in the best interest of the Company.

Each Director is required to faithfully perform his/her duty of loyalty toward the Company and shareholders. Directors shall not exercise their authority for their own benefit or that of a third party and shall place the interests of the Company and shareholders before themselves. The duty of loyalty particularly applies when a conflict of interest arises between the Company and the Director, or when a certain opportunity may be available to both of them. When the Director – as an agent of the Company, directly or indirectly – has any economic or personal gain in a contract or other transaction, or when he plans to engage in a transaction which is in competition with the Company, then such Director is considered as having an interest. In such cases, the Director should act with the interests of the Company overriding his/her interests.

When a conflict arises for the Director having interests in a transaction or contract, she/he should clearly disclose such interests and related important information to the Board and should excuse himself/herself from any discussion or decision affecting his business or personal interests. The disclosure shall be in line with a policy enacted by the Board to provide administrative support with respect to conflict of interest.

***No person having a permanent conflict of interest shall be a member of the Board of Directors or the Executive management of the Company.***

It is the Company's policy that Directors, their immediate families and Companies where Directors have interests shall not transact business with the Company without express approval from the entire Board.

All business transacted with the Company shall be at arm's length and such business interests shall be fully disclosed to the Board and considered for approval through an annual declaration.

A register shall be maintained to provide a formal record of interests that the Directors and their immediate families have with the Company.

All Directors shall be required to sign an annual declaration on possible or actual conflicts of interest.

## 5.11 Code of Conduct and Ethics

The Board takes responsibility for implementing and managing an effective compliance program relating to legal and ethical conduct. As part of its compliance program, the Company has a Code of Conduct and Ethics with effective reporting and enforcement mechanisms. The Board shall ensure that Directors have a means of seeking guidance and alerting the Board about potential or actual misconduct without fear of retribution. Violations of the Code shall be addressed promptly and

effectively.

The Board expects all Directors to act ethically at all times and to adhere to the policies set forth in the Company's Code of Conduct and Ethics appended to this charter.

The Board will not permit any waiver of any breach of the ethics policy by any Director. Unethical acts committed by Directors shall attract punitive measures including termination as appropriate. The Company shall also report to regulatory authorities and other relevant external stakeholders, any unethical acts performed by Directors.

### **5.12 Directors' Remuneration and Expense Policy**

Compensation and incentives for Executive Directors shall be competitive and is intended to encourage positive engagement with the Company.

For non-executive Directors, the Board Human Resources & Governance committee will propose the system and amount of Directors' annual remuneration to the Board and review the remuneration programs from time to time. Directors' remuneration shall be presented for approval at the Annual General Meeting.

The Committee may request management or external consultants to provide necessary information upon which the Board may make its determination on remuneration. In determining the compensation for non-executive Directors, the Nomination and Remuneration Committee shall consider the following:

- **The level of fees currently earned by the Directors in their professional capacity;**
- **the number of hours spent by the Directors in preparing for and attending meetings, as well as travel to meeting venues;**
- **current market rates applicable to organizations of similar size and in the same industry;**
- **the complexity of the Company's operations and the extent to which Directors have to incur additional cost in research on industry developments, etc.;**
- **the number of meetings in a year.**

A Directors' Remuneration and Expense Policy should be put in place and should identify key principles for the reimbursement of expenses incurred by Board of Directors and each individual member of the Board and payment of remuneration of Directors.

<sup>5</sup> RECOMMENDATION 1.7.1 OF THE CODE OF CORPORATE GOVERNANCE PRACTICES FOR PUBLIC LISTED COMPANIES IN KENYA.

The Directors' Remuneration and Expense Policy should also offer guidance on the following:

- **Annual Remuneration for the Directors, if deemed appropriate;**
- **Annual Remuneration for the Chairman;**
- **Remuneration and allowances for attendance at meetings of the Board and Board Committees;**
- **Accommodation and air ticket reimbursements for travels out of the country for Company-related business;**
- **Accommodation and transport reimbursements or transport facilitation arrangements using Company vehicles for out-of-town Company related business trips;**
- **Allowances for Board Business Meeting and those specifically addressing governance and Board training issues, and for those areas of particular interest and benefit to OCHL where, in the opinion of the Board, the benefits to attend warrant that a fee be paid;**
- **Other benefits to be provided such as Medical Insurance Cover;**
- **Provision on ineligible remuneration or expenses (those activities that will not qualify for reimbursement);**
- **Honorarium where the Director has undertaken significant additional service and responsibility on behalf of the Board or a Committee;**
- **Guideline on farewell gifts for Directors upon retirement/resignation.**
- **Guideline on the review of the allowances in terms of periodic review either annually or bi-annual and the how the formula for the rate/percentage of increase.**

The remuneration recommended by the Nomination and Remuneration Committee shall apply to all Directors and no Director should be involved in fixing their own individual remuneration.

### **5.13 Corporate Governance Disclosures**

The Company shall disclose material information through its Annual Report and financial statements to shareholders and the relevant government authorities in accordance with the prevailing laws and regulations in a timely, accurate, understandable and objective manner.

The Company shall take the initiative to disclose not only matters required under the laws and regulations, but also those of material importance to the decision-making of institutional investors, shareholders, customers and other stakeholders with respect to such matters. The Company shall disclose financial as well as non-financial matters in the Annual Report.

Each and every shareholder shall be provided with full and accurate information about the Company unless there is a justifiable reason not to do so. The Company will not make partial disclosures to certain shareholders by providing information not disclosed to the other shareholders.

The Company Secretary shall ensure that the Company complies with prevailing regulations having the force of law in respect of disclosure requirements. This shall be done through the use of a

Disclosure Checklist outlining all areas of disclosures required and the Checklist shall be updated from time to time.

#### **5.14 Delegation of Authority**

Management of OCHL's daily operations will be undertaken by the Chief Executive Officer, subject to specified delegations of authority approved by the Board. The Chief Executive Officer can delegate his authority to staff within the limits in the delegations of authority approved by the Board and consistent with other Board delegations periodically.

Any key strategic matters or transactions outside the delegations of authority must be referred to the OCHL Board for approval.

#### **5.15 Related Party Transactions/Insider Trading**

The Board expects all Directors, as well as officers and employees, to at all times and to adhere to the policies set forth in the Company's Code of Code of Conduct for the Prevention of Insider Trading appended to this Charter.

#### **5.16 Whistleblowing Policy**

The Board shall establish whistle-blowing mechanisms that will encourage stakeholders to bring out information helpful in enforcing good corporate governance practices and Code of Conduct and Ethics and Ethics for the overall benefit of the Company.

#### **5.17 Review of Charter**

This Board Governance Charter sets out a framework of corporate governance structures and principles for the Board of Olympia Capital Holdings Plc and may be reviewed by the Board **every two years, or at such other time as may be deemed necessary to ensure it remains relevant, objective and practical.**

#### **5.18 Access to Board Charter**

This Board Governance Charter shall be made available to each Director of the Company and shall form part of the documents readily available for shareholders and stakeholders.

**Last update and review: March 7, 2024**

## 6 Appendices

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The following appendices whose purposes shall be as outlined in the Charter, shall form part of this Board Charter:

- **Appendix 1:** Board Audit & Risk Committee Terms of Reference.
- **Appendix 2:** Board Human Resources Committee Terms of Reference.
- **Appendix 3:** Board Investments & Operations Committee Terms of Reference.
- **Appendix 4:** Board Nominations & Governance Committee Terms of Reference.
- **Appendix 5:** Delegation of Authority Framework.