

OLYMPIA CAPITAL HOLDINGS PLC

POLICY FOR THE APPOINTMENT AND INDUCTION OF BOARD MEMBERS





Olympia Capital Holdings Plc

Policy for the Appointment and Induction of Board Members

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1. Preamble

The Olympia Capital Holdings Plc's (hereinafter "OCHL") Board of Directors is mandated via the Company's Board Charter and the Capital Markets Authority Code of Corporate Governance for Issuers of Securities to the Public 2015 to ensure the constitution of the Board is adequate and properly constituted to execute its mandate.

In line with this mandate, these guidelines have been prepared for the procedure followed by the OCHL Board of Directors in the Nomination and Appointment of a Director to the Board of OCHL. The objective of the guidelines is to ensure that appointments are approved within the purview of the Kenyan governance and regulatory framework. **The Board Human Resource & Governance (BHRG) Committee** (or any other designated Committee of the Board) will have the prerogative to utilize these guidelines in such a manner as will enable them best to accomplish their mandate.

In undertaking its role, the Committee will be guided by the following pillars within OCHL:

- a) **The Company's Strategy;**
- b) **Qualifications – i.e., academic qualifications, skills, and industry/specialty expertise; Diversity;**
- c) **Succession Planning – i.e., Tenure period of existing Directors, changes in the Board**
- d) **Recommendations of continuous Board Evaluations;**
- e) **Regulatory Requirements; and**
- f) **Expressions of interest to serve on the OCHL Board.**

2. Process for the Appointment of a Director

The following steps will be used as a guideline in the appointment process:

STEP 1: Nomination by the Board Human Resource & Governance Committee.

Based on the consideration as defined above, the Committee shall proceed to define the following metrics that would guide the nomination process: -

- i) The roles (and special roles, if any) that the candidate will serve on the Board of Directors;
- ii) A cluster of desired competencies to be possessed by the desired candidate; and

- iii) the possible avenues that could be utilized to identify potential nominees, e.g., brainstorming, head hunting, engaging recruitment firms, engaging professional bodies, perusal of data banks of potential candidates, a combination of the above etc.,

Based on the above, the Committee proceeds to shortlist the candidates in order of preference and presents a list of names/resumes for further evaluation as defined under STEP 2.

STEP 2: Preliminary meeting with shortlisted Candidates

The Committee at this point mandates one or two among their number to meet with the shortlisted candidates to determine their interest in the position.

STEP 3: Vetting Methodology

This is conducted to establish the candidates' competence and fit to act in their role as a Director of the listed company. The vetting process is conducted under the following guidelines: -

- i) Preliminary Reviews – i.e., evaluating the candidates' resumes to establish their competence and fit for their role as a Director; and
- ii) Due Diligence Exercises – i.e., conducting the requisite background checks to establish whether the candidate could be barred from serving as a Director of the Company.

STEP 4: Preparing a Recommendation to the Board of Directors

Thereafter the Committee prepares a recommendation to the Board of Directors for consideration. It is usually preferred that the Committee presents at least two (2) candidates for consideration by the Board for every vacant position seeking to be filled. At this point, the Board will either select one of the proposed candidates or request the committee to undertake one or more of the previous checks defined under STEPS 1 to 5 above.

STEP 5: On-boarding procedures for the new Director

The following procedures are undertaken to ensure successful on-boarding of the new Director;

- i) Formal Letter of appointment is prepared confirming the terms upon which he has been engaged as a Director of the Company. The Letter may separately contain his contract.

- ii) To inform the Capital Markets Authority on the intention to appoint the individual to the Board of OCHL;
- iii) To mandate the Company Secretary to file the appointment with the Companies Registry and update the Register of Directors to effect the appointment;
- iv) Conduct a Board Induction Session to familiarize the Director with his roles and responsibilities, his rights, liabilities, the operations of the Company, and any other information that would enable him to execute his role as a Director of the Company.
- v) At this point he/she is availed with an induction pack that contains the Company's governance document, last annual report, annual report, and any other documents that will appraise him on the affairs of the Company.

STEP 6: Securing Shareholders' Approval at a General Meeting

Finally, the appointment of the Director is tabled at a General Meeting for ratification or otherwise in line with the provisions of the OCHL Articles of Association for ratification.

The guidelines may be reviewed by the Board at such other time as may be deemed necessary to ensure that they remain relevant, objective, and practical.

3. Process for the Induction of a Board of Director

The Board shall cause to be developed a tool that shall be used by members of the Management Team to facilitate the induction of the members of the Board of Directors. The tool shall be comprehensive enough to support the induction process and should ensure that the following information is shared during the induction process: -

3.1. Statutory Information

The Induction session should confirm to the incoming Board member the particulars relating to the (i) Directors and Alternate Directors, (ii) the Company Secretary, (iii) Share capital and Key Shareholders, and (iv) Key Board Committees and Managements participation in those Committees.

With the Company's shares being listed at the NSE, the induction should emphasize that the Company operates within the regulations of the Capital Markets Authority, the listing obligations of the NSE, and the Companies Act among other regulations.

3.2. Board work plan for the current year.

3.3. Memorandum and Articles of Association

The induction policy should include a brief overview of the Company's Memorandum and Articles. Special attention should be given to the following matters: (i) Appointment of Directors, (ii) Directors' meetings, (iii) Quorum for Directors meetings, (iv) Voting and the Chairman's casting vote and (v) Reserved matters.

3.4. Board Charter and Committees' Terms of Reference

3.5. Minutes of Board Meetings held within the last 12 months.

3.6. Directors' Remuneration Policy

3.7. Key Members of Management and structure of the organization

3.8. Strategic Plan

3.9. Annual Reports for the last three (3) years

3.10. Sustainability Reports for the last three (3) years

3.11. Code of Conduct and Ethics

3.12. Other Key Matters e.g., Special Policies, special provisions relating to the trading of the Companies securities, CMA – Code of Corporate Governance etc.

4. Letter of Appointment

Upon successful nomination and recruitment, the incoming Director shall be issued with an appointment letter upon appointment as a Director of the Company.

5. Review of Policy

The Risk Management Policy shall be reviewed from time to time by the Board Audit and Risk Committee to ensure its continued relevance and application based on the changing environment in which OCHL operates.

6. Approval

The Board Appointment and Induction Policy has been approved by the Board of Directors.

7. Effective Date

This policy is effective immediately.

Last update and review: March 7, 2024