

**CORPORATE GOVERNANCE REPORTING TEMPLATE FOR ISSUERS OF SECURITIES TO THE PUBLIC**  
 TO BE FILLED IN LINE WITH THE REQUIREMENTS OF THE CODE OF CORPORATE GOVERNANCE PRACTICES FOR ISSUERS OF SECURITIES TO THE PUBLIC, 2015

Company Name (in full)  
 British American Tobacco Kenya Plc  
 Reviewer's Name  
 Company Details to be Provided:  
 Company market to book ratio at end of financial year  
 No of outstanding shares at end of financial year  
 Closing price of stock at end of financial year  
 Net sales as per Income Statement at end of financial year  
 Net profit as per Income Statement at end of financial year  
 Total debt (short and long term) as per Balance Sheet at end of financial year  
 Total equity as per Balance Sheet at end of financial year  
 Total no. of Board members at end of financial year  
 No. of independent directors at end of financial year  
 No. of non-executive directors at end of financial year

4  
 100,000,000  
 KSh. 361  
 KSh. 25,339,237,000  
 KSh. 5,517,492,000  
 KSh. 67,557,000  
 KSh. 11,856,065,000  
 10 substantive directors and 1 alternate director  
 6  
 8

Chairman Signature  
 CEO Signature  
 Company Secretary Signature

**Source of Information**

Application - FA, PA or NA - See Notes Application or Explanation - Note 3 & 4  
 1.2, 3 & 4

Mandatory or Part No. or 'apply or explain'	Question	Answer	Source of Information
A	<b>INTRODUCTION</b>		
M	A.1 Has the company developed and published a Board Charter which is periodically reviewed and which sets out the Board responsibilities for internal control?	FA	Board Charter has been published on website - <a href="http://www.batkenya.com">www.batkenya.com</a>
M	A.2 Do the Board Charter or company documents distinguish the responsibilities of the board from management in line with Code requirements?	FA	Board Charter pg. 5-6 and 2020 Annual Report Corporate Governance Report pg. 74.
A or E	A.3 Is there a statement indicating the responsibility of Board members for the application of corporate governance policies and procedures of the company?	FA	2020 Annual Report Corporate Governance Report pg. 74-75, 77, 85 Articles of Association of the Company available on <a href="http://www.batkenya.com">www.batkenya.com</a>
M	A.4 How has the Board ensured all directors, CEOs and management are fully aware of the requirements of this Code?	FA	Pg. 73, 2020 Annual Report, disclosure of the Company having undertaken the governance audits and being in compliance. The Board and Management have each received an update on the requirements of the Code and their specific responsibilities. The Codes requirements were also set out and discussed in great detail in the 2019, 2018 and 2017 Governance Audit reports. These requirements have also been reiterated in the 2020 Legal and Compliance Audit Report.
M	A.5 Do company documents indicate the role of the Board in developing and monitoring the company strategy?	FA	The requirements of the Code are additionally reviewed by the Board and each Committee to ensure compliance with aspects relating to the Committees. Yes - The Board Charter provides that the Board is responsible for approving the Company's business strategy and ensuring that the necessary financial and human resources are in place for the Company to meet its objectives. The Board Directors participate in the annual Company Plan sessions to review and approve the Company strategy.

A or E	A.6	Does the company strategy promote sustainability of the company?	FA	Yes - This is disclosed in the Corporate Governance Section of the 2020 Annual Report. The Annual Report further states that the Board is collectively responsible for the Company's vision and strategic direction.	Corporate Governance Reports in 2020 Annual Report pgs.30,50,80,87. The Board Charter also references sustainability initiatives of the Company (pg 77).
M	A.7	Are all board committees governed by a written charter/terms of reference, disclosing its mandate, authority, duties, composition, leadership and working processes?	FA	Yes - The Board has constituted 3 Committees (ie Nominations and Governance Committee, Audit and Risk Committee and the Remuneration Committee) as set out in the Board Charter. All Committees have Terms of Reference which are annually reviewed and updated as appropriate. A description of how the Committees operate is also disclosed in the Corporate Governance Report section of the 2020 Annual Report	Terms of Reference of all Committees disclosed on website <a href="http://www.batkenya.com">www.batkenya.com</a> . The Board Charter also contains the Committee terms of reference. Corporate Governance Report section of 2020 Annual Report (Corporate Governance Report section) pgs.81-85.
B	<b>BOARD OPERATIONS AND CONTROL</b>				
M	B.1	Has the Board established a Nomination Committee comprised mainly of independent and non-executive Board members?	FA	Yes - The Nominations & Governance Committee was constituted on 8 November 2020. It currently comprises of 3 Members who are all Independent Non-Executive Directors.	Corporate Governance Report section of 2020 Annual Report (Corporate Governance section) pg 81-82
M	B.2	Is the chairperson of the Nomination Committee an independent director?	FA	Yes - The Chairperson is independent.	Terms of Reference of Nominations & Governance Committee are disclosed in Board Charter (pg. 30) on <a href="http://www.batkenya.com">www.batkenya.com</a> . 2020 Annual Report in the Corporate Governance Report pg 81.
M	B.3	Has the board adopted and published procedures for nomination and appointment of new Board members?	FA	Yes - The Board on 27 April 2018 approved a Policy on Director Appointments to the Board which is available on the BAT Kenya website.	Policy on Appointments to the Board published on <a href="http://www.batkenya.com">www.batkenya.com</a>
M	B.4	Is the Board size adequate for the exercise of the company business?	FA	Yes - The board currently has 10 board members against a maximum of 12 as per the Board Charter and as reported in the 2020 Annual Report which is a sufficient size for the company business. This number permits a minimum number of at least three Directors per Committee.	2020 Annual Report Corporate Governance Report section pg 62-65.
A or E	B.5	Has the board adopted a policy to ensure the achievement of diversity (including age, race and gender) in its composition?	FA	Yes - The Board approved and adopted a Diversity Policy which is disclosed on the Company's website, through the Board Charter (pg. 7 and 8) and in the 2020 Annual Report.	Diversity Policy published on <a href="http://www.batkenya.com">www.batkenya.com</a> . See also Guiding Principles on pg 77-78 of the 2020 Annual Report in the Corporate Governance Report section.
M	B.6	Do the Board members represent a mix of skills, experience, business knowledge and independence to enable the discharge of their duties?	FA	Yes - The skills, experience, business knowledge and other qualifications of each Director are disclosed in the profiles of each Director set out in the 2020 Annual Report Corporate Governance Report.	2020 Annual Report Corporate Governance Report section pgs. 62-65. Board profiles also on <a href="http://www.batkenya.com">www.batkenya.com</a>
M	B.7	Has the board adopted and applied a policy limiting the number of board positions each Board member may hold at any one time?	FA	Yes - This is captured within the Board Charter and the Directors' Letters of Appointment. The Board Charter, on page 8, advocates that Non-Executive Directors should not hold more than 3 directorships of listed companies at any one time while Executive Directors shall not hold a directorship in more than 2 public listed companies. The chairman cannot chair the boards of more than 2 public listed companies. All Directors must promptly disclose outside directorships and inform the Chairperson of any changes to these directorships.	Board Charter (pg. 8) published on website <a href="http://www.batkenya.com">www.batkenya.com</a>
M	B.8	Have any Alternate Board members been appointed? If so, have the Alternate Director/s been appointed according to regulation and Code requirements?	FA	Yes - The Board appointed Mr. Sidney Watula as an alternate Director to Mr. Andre Joubert with effect from 25 June, 2020. This was done in line with the CMA Code and communicated to the public.	Announcement of the appointment was made to the public on 29 May 2020.
M	B.9	Are independent directors at least one-third of the total number of Board members?	FA	Yes - Out of 10 Directors, 6 are Independent Non-Executive Directors (60%).	2020 Annual Report Corporate Governance Report section pgs. 62-65. See Board profiles on <a href="http://www.batkenya.com">www.batkenya.com</a>
A or E	B.10	Does the Board have policies and procedures to annually assess the independence of Independent Board members?	FA	Yes - Independence of Board members is assessed annually by the Nominations & Governance Committee applying the criteria set in the CC Code under 2.4.1. As per the 2020 Annual Report page 81, the Nominations & Governance Committee's key mandate is that of evaluating and reporting to the Board on an annual basis, the effectiveness of the Board and the independence of the Directors in the discharge of their responsibilities including ensuring that the Board has an appropriate balance of skills, expertise and knowledge, in line with the Board Diversity Policy. Annual assessment of Directors' independence was completed by Nominations & Governance Committee on 17 March 2021 and the confirmation of the independence tabled to the Board on 29 April 2021.	Published on website - <a href="http://www.batkenya.com">www.batkenya.com</a> and 2020 Annual Report Corporate Governance Report section pg. 81
M	B.11	Do all independent Board members have a tenure of less than 9 years?	FA	Yes - All independent Directors have a tenure of less than 9 years. 6 Non-Executive Directors are independent.	2020 Annual Report Corporate Governance Report section pg. 77
M	B.12	Is the Board comprised of a majority of non-executive board members?	FA	Yes - As at the date of this report out of 10 Directors, 8 are Non-Executive Directors (80%).	2020 Annual Report Corporate Governance Report section pg. 77 See Board profiles on <a href="http://www.batkenya.com">www.batkenya.com</a>

M	B.13	How does the Board ensure a smooth transition of Board members?	FA	Succession Planning is conducted by the Nominations & Governance Committee on behalf of the Board and reported to the Board. The Nominations & Governance Committee annually reviews currently available board skills and experience, Company needs, diversity and independence considerations. Premised on its findings, the Committee will facilitate filling of vacancies and creation of a succession pipeline to meet these requirements on an annual basis. This has been disclosed in the 2020 Annual Report and Board Charter under the mandate of the Nominations Committee. The Board Articles also provide for rotation of one-third of the directors in any given year and hence ensure continuity.	2020 Annual Report pg 81 and the Nominations & Governance Committee terms of reference in the Board Charter (pg. 30) on www.batkenya.com
M	B.14	Has the Board established an effective Audit Committee according to Code requirements?	FA	Yes - The Board has constituted an effective Audit & Risk Committee comprised of 4 Members 3 of whom are independent Non-Executive Directors. The mandate and role of the Audit & Risk Committee and its activities in 2020 are disclosed in the Corporate Governance Report section of the 2020 Annual Report.	The terms of reference of the Audit & Risk Committee are provided on the BAT website www.batkenya.com See also Board Charter pages 21.
M	B.15	Are the functions of the Chairperson and the Chief Executive Officer exercised by different individuals?	FA	Yes - The functions of the Chairperson and Managing Director are exercised by different individuals. The division of responsibilities between the Chairperson and the Managing Director is disclosed in the Board Charter and the 2020 Annual Report Corporate Governance Report section.	2020 Annual Report Corporate Governance Report section pg. 62.
M	B.16	Is the Chairman of the Board a non-executive board member?	FA	Yes - the Chairman of the Board is a Non-Executive Director and is also independent.	2020 Annual Report Corporate Governance Report section pg. 62.
A or E	B.17	Has the Board established procedures to allow its members access to relevant, accurate and complete information and professional advice?	FA	Yes - The Board has established procedures to allow its members access to relevant, accurate and complete information and professional advice at the Company's expense. On access to information, the Chairperson and the Managing Director invite members of Management to make presentations at Board meetings to provide insights into certain aspects of the Company's business or operations. The Board Charter and all Board Committee Terms of Reference provide that Directors can request information and obtain external professional advice at the expense of the Company.	See also Board profiles on www.batkenya.com. See Board Charter (pg. 15) and Terms of Reference of all Committees on website www.batkenya.com and 2020 Annual Report Corporate Governance Report section pg. 81-85.
M	B.18	Has the Board adopted a policy on managing conflict of interest?	FA	Yes - Conflicts of interest are captured and managed as provided by the Company's Standards of Business Conduct (SOBC) which applies to Board Members, all employees and third parties dealing with the Company.	Standards of Business Conduct (SOBC) published on website www.batkenya.com. See disclosure in Corporate Governance Section of 2020 Annual Report pg. 77. See Board Charter pg. 14.
M	B.19	Has the Board adopted a policy on related party transactions to protect the interests of the company and all its shareholders and which meets the requirements of the Code?	FA	Yes - A Related Party Transactions Policy aligned to provisions of the CG Code was approved by the Board on 12 April 2019 for immediate implementation. Various disclosures of related party transactions are also disclosed in the 2020 Financial Statements (pg. 149-150).	Copy of Related Party Transactions Policy is available on the website www.batkenya.com See disclosures on Annual Report Financial Statements (pgs. 149-150).
M	B.20	Has the company appointed a qualified and competent company secretary who is a member in good standing of ICPSC?	FA	Yes - Ms. Kathryne Maundu is the Company Secretary and is in good standing with ICS.	See disclosure in Corporate Governance Report of 2020 Annual Report at pg. 75. See Company Secretary's profile on www.batkenya.com
A or E	B.21	Has the Board adopted policies and processes to ensure oversight of sustainability, environmental and social risks and issues?	FA	Yes - Sustainability is one of the Company's strategic pillars alongside Growth, Productivity and Winning Organization. The Board places considerable emphasis on the need for the business to be sustainable for the long term, to meet the expectation of stakeholders and inform the Company's commitments to society. The Board has approved a Corporate Social Investment Strategy which underpins the Company's commitment to sustainability. This strategy is available on the Company's website.	2020 Annual Report - Chairman's Statement, pg. 6-8. 2020 Annual Report Strategic Report section pg. 80 displays our focus on ESGs. Corporate Governance Report section of 2020 Annual Report pg. 87; Page 17 Board Charter (Environmental, Social & Governance Policy).
A or E	B.22	Has the Board developed an annual work-plan to guide its activities?	FA	Yes - The Board Annual Work Plan for FY21 was approved by the Board meeting on 3 December 2020. Areas of focus stated in 2.6.3 are all captured within the Board Work Plan. The Board Charter details the requirement for the work-plan and planned activities (pg. 14). Board programme and activities during 2020 are disclosed in the Corporate Governance Report section of the 2020 Annual Report. Further, per the 2020 Annual Report page 74 the Company developed a Board programme that is designed to enable the Board drive the strategy forward across all the elements of the Company's business model.	2020 Annual Report Corporate Governance Report section of the 2020 Annual Report pg. 74. Board Charter pg. 14.

M	B.23	Has the Board determined, agreed on its annual evaluation process and undertaken the evaluation or the performance of the Board, the Board Committees, the CEO and the Company Secretary?	FA	Yes- The Board has a clear evaluation process which reviews performance of the Board, Committees, Chairman, Managing Director and Company Secretary. Board Evaluation for 2020 was conducted by the Company Secretary using Thinking Board, a third party tool, and the results discussed by the Nominations & Governance Committee on 17 March 2021. The Board evaluation process is disclosed in the Corporate Governance Section of the 2020 Annual Report. The Board evaluation found that the Board and its committees continue to function/perform well and have sufficient balance of skills, expertise, knowledge and diversity. Individual feedback is given by the Chairman to all Board members. Board members continued to perform well, and each was considered to be making an effective contribution to the Board. Feedback on the Chairman's, Managing Director and Company Secretary's own performance was given to the Board.	Corporate Governance Report section of 2019 Annual Report pg 78. See Board Charter on www.batkenya.com
A or E	B.24	Has the Board established and applied a formal induction program for incoming members?	FA	Yes - Formal induction programme approved by the Board and all incoming Directors are duly inducted. This programme was implemented for 4 new Board members appointed in 2020. Disclosure of the same is made within the Corporate Governance Report section of the 2020 Annual Report.	Corporate Governance Report section of 2019 Annual Report pg 77 Board Charter pg 15
A or E	B.25	Do Board members participate in on-going corporate governance training to the extent of 12 hours per year?	FA	Yes - Board Directors participate in on-going Corporate Governance training provided by the Company and externally in compliance with the Code. In 2020 each Director received requisite Corporate governance training from BAT Kenya and other credible sources. Due to the challenges of the COVID-19 pandemic, directors were able to meet 6 hours of training out of the required 12 hours.	Corporate Governance Report section of 2019 Annual Report pg 77. See Board Charter pg 15 on www.batkenya.com
A or E	B.26	Has the Board set up an independent Remuneration Committee or assigned to another Board committee the responsibility for determination of remuneration of directors?	FA	Yes - There is a Remuneration Committee which determines remuneration of employees and directors for approval by the Board and subsequently Shareholders at the AGM. The mandate and role of the Remuneration Committee is disclosed in the Corporate Governance section of the 2020 Annual Report and Board Charter pg. 34.	Corporate Governance Report section of 2020 Annual Report pg 84-85. Remuneration Committee Terms of Reference are published on the website www.batkenya.com
M	B.27	Has the Board established and approved formal and transparent remuneration policies and procedures that attract and retain Board members?	FA	Yes - The Directors Remuneration Report captures the remuneration policy as it relates to Executive and Non-Executive Directors on the Board and makes full disclosure of remuneration of Directors received during the year in its 2020 Annual Report. The Directors Remuneration Report was approved by the Board on 18 February 2021 and recommended for shareholder approval at the AGM when held.	Directors Remuneration Report in the Financial Statements section of the 2020 Annual Report pgs 92-95.
M	B.28	How does the Board ensure compliance with all applicable laws, regulations and standards, including the Constitution and internal policies?	FA	BAT Kenya has established internal procedures and monitoring systems to monitor and promote compliance with applicable laws, regulations and standards. The Legal and External Affairs (LEX) Function has 6 qualified in-house advocates who participate in all business decision forums and provide legal counsel and advise to ensure compliance is achieved and maintained. The Company undertook an external Legal and Compliance audit whose findings were shared with the Board on 18 February 2021. The Head of LEX is a permanent invitee to the Board and Audit & Risk Committee meetings to address matters compliance. The Audit & Risk Committee together with the Legal and External Affairs (LEX) Function has 6 qualified in-house advocates who participate in all business decision forums and provide legal counsel and advise to ensure compliance is achieved and maintained.	Corporate Governance Section of 2019 Annual Report pg 73
M	B.29	In the past year, has the Board organized a legal and compliance audit to be carried out on a periodic basis?	FA	Yes - Pursuant to 210.3 of the Code, the Board authorised and the Company undertook an external Legal and Compliance audit whose findings were shared with the Board on 18 February 2021.	The Legal & Compliance Audit was concluded and report was presented to the Board on 18 February 2021.
A or E	B.30	Has the Board subjected the company to an annual governance audit?	N/A	The Board sought and on 27 November 2020, the CMA granted the Company an exemption from conducting the governance audit for the year 2020. The Board conducted a Governance Audit for the year 2019 and the Company continues to implement the recommendations from the Governance Audit. This has been disclosed in the Corporate Governance Section of the 2020 Annual Report.	Corporate Governance Section of 2020 Annual Report pg 78
M	C	<b>RIGHTS OF SHAREHOLDERS</b>			
M	C1	Does the governance framework recognize the need to equitably treat all shareholders, including the minority and foreign shareholders?	FA	Yes - The Company's procedures in the Articles of Association and Board Charter (pg.16 - 17) provide for equitable treatment of all shareholders. In addition, the Board has an Investor Relations Policy, Dividends Policy and Dispute Resolution Policy which support equitable treatment of shareholders.	Corporate Governance Section of 2020 Annual Report pg 78. See Board Charter pg.16 - 17 on www.batkenya.com Dispute Resolution Policy on www.batkenya.com
M	C.2	Other than at the AGM, how does the Board facilitate the effective exercise of shareholders' rights?	FA	Shareholders have access to the Company, the Board and its Share Registrar. The Share Registrar has a call center through which shareholders present any complaints either via telephone, emails or physically. The Company has an open door policy and will meet shareholders upon request. It may also organise Open Days for Shareholders. Investor and media briefings are also organised following declaration of end year and half year results to give shareholders an opportunity to have the performance explained. Relevant announcements are made in the local dailies to inform shareholders of key events. Shareholder engagement, disclosed under the Corporate Governance Report section of the 2020 Annual Report.	See 2020 Annual Report pg 78 Board Charter pg 16 - 17 and Investor Relations Policy on www.batkenya.com

M	C.3	How does the Board facilitate shareholder participation at the AGM?	FA	<p>The AGM Notice is published in a timely manner through daily newspapers, email, website and distribution of physical Annual Reports to shareholders. Sufficient time is accorded to Shareholders at the AGM to enable them to ask questions, seek clarifications on the Company's performance and to air their concerns, if any. Shareholders unable to attend AGMs are permitted to appoint Proxies and to that end Proxy Forms are provided. Due to COVID-19 pandemic and the government restrictions on public gathering, the 2020 AGM was held virtually. Shareholders were given a chance to engage the Directors by sending their questions in advance as well as to make live calls to the Chairperson during the AGM.</p>	<p>Notice and Agenda for the Year 2020 AGM was published on 12 April 2021. The Notice and Agenda were published in two (2) daily newspapers in addition to email notification and circulation via the Company's website. The 2020 Annual Report and Proxy Form was also published on the website and emailed to shareholders with updated addresses.</p>
A or E	C.4	Are minority and foreign shareholders holding the same class of shares treated equitably?	FA	<p>Yes - Minority and foreign shareholders are treated equitably. They all receive information on the Company's performance through distribution of annual reports and accounts and half yearly results. They all receive Notice to the AGMs and accorded opportunity to attend either in person or via proxy. Dividends are paid out to both minority and foreign shareholders at the same time per the Dividend Policy.</p> <p>The Board Diversity Policy (available for desktop review) and Nominations &amp; Governance Committee Terms (available on the Company's website) provide opportunities for minority and foreign shareholders to nominate board members. The Company also respects legal provisions in the Companies Act 2015 permitting minority and foreign shareholders to make such nominations. Minority shareholders also have opportunity to raise concerns/issues to the Board through the Corporate Affairs and Investor Relations team.</p>	<p>Shareholders rights are provided in the Company's Articles of Association and the Board Charter. The Board Diversity Policy, Dividend Policy and Investor Relations Policy are available on the Company's website <a href="http://www.batkenya.com">www.batkenya.com</a></p>
A or E	C.5	Is there evidence that the Board proactively provides information to shareholders and the media, (and in a timely basis) on corporate affairs and corporate governance?	FA	<p>Yes - Investor and Media briefings are conducted a day after declaration of end year and half year results. Due to the COVID-19 pandemic, no investor briefings were done in 2020. However, shareholders were given a chance to send their question to the Directors which were responded to accordingly.</p> <p>Other public announcements are available on the Company's website and via publication in the local dailies for the material announcements.</p>	<p>Investor briefing on 20 February 2020 received wide coverage on both electronic and print media. See <a href="http://www.batkenya.com">www.batkenya.com</a> for public announcements.</p>
A or E	D	<b>STAKEHOLDER RELATIONS</b>			
A or E	D.1	Does the Board have a stakeholder-inclusive approach in its practice of corporate governance and which identifies its various stakeholders?	FA	<p>Yes - The Company has identified the Board and Company's key stakeholders and mapped out areas of interaction with such stakeholders. Engagements and interactions are conducted in line with the principles and guidelines set out in the Standards of Business Conduct (SOBC) and Principles of Engagement. This exercise was undertaken and is updated by the well resourced Legal and External Affairs (LEX) Function.</p>	<p>Standards of Business Conduct &amp; Principles of Engagement are available on the Company website. Engagement stakeholders are discussed in the 2020 Annual Report pg. 50 - 54.</p>
A or E	D.2	Has the Board developed policies, procedures and strategies to manage relations with different/key stakeholder groups?	FA	<p>Yes - In addition to identifying key stakeholders, strategies and suitable policies are employed to manage relations with different stakeholders. Engagement is constructive, deliberate and planned. Typical issues of concern to the Board and which require strategic engagement are Excise, illicit trade, tobacco control regulations and issues affecting tobacco farmers. Engagements and interactions are conducted in line with the principles and guidelines set out in the Standards of Business Conduct (SOBC) and Principles of Engagement.</p> <p>Various engagements with stakeholders conducted during 2020 are disclosed in the Strategic Report section of the 2020 Annual Report.</p> <p>The Board also approved the Investor Relations Policy in 2019. The company also has in place a Media Engagement Protocol as well as a strategy on Corporate Social Investment.</p>	<p>Strategic Report section of 2020 Annual Report Pgs. 50-54.</p> <p>Investor Relations Policy, Media Engagement Protocol &amp; Corporate Social Investment Strategy on <a href="http://www.batkenya.com">www.batkenya.com</a></p>
A or E	D.3	How does the Board take into account the interests of key stakeholder groups prior to making decisions?	FA	<p>In exercising its fiduciary duty, the Board strives to achieve an appropriate balance between the interests of its various stakeholders in order to achieve the long-term objectives of the Company. The annual report outlines the considerations and engagements had with various stakeholders in the company's decisions and operations. These stakeholders include farmers, customers, consumers, employees, communities, shareholders and government.</p>	<p>Strategic Report section of 2020 Annual Report pg. 87.</p>
M	D.4	How does the Board ensure effective communications with stakeholders?	FA	<p>Relevant information is proactively relayed to stakeholders having regard to the best interests of the Company in determining what information is shared. Investor and Media briefings are conducted in a timely manner. The Annual Report, media and Company website provide avenues for dissemination of information about the Company in addition to financial performance. As per 4.2.1 a whistle blowing policy is in place. The Company has also displayed its telephone contacts, email and physical addresses on its website and disclosed the name and contacts of the dedicated communications person. The Investor Relations Policy approved by the Board also provides for effective communication guide with stakeholders.</p>	<p>The Company makes requisite public announcements as required by the CG Code and also shares information via the Company website. It also holds media and investor briefings to ensure that the right messages are shared. Stakeholder are free to reach out to the Company's Management at any time. Investor Relations Policy and information about communicating with the company is available at the website <a href="http://www.batkenya.com">www.batkenya.com</a>.</p>
M	D.5	Has the Board established a formal dispute resolution process to address internal and external disputes?	FA	<p>Yes - The Board approved a Dispute Resolution Policy in 2020 to guide the resolution of disputes. The Policy is available on the Company's website. The Company has established processes and procedures for resolution of both internal and external disputes captured in the Board Charter.</p>	<p>The Dispute Resolution Policy is available on the Company website. Dispute Resolution Procedure is also at pg. 16 Board Charter available at <a href="http://www.batkenya.com">www.batkenya.com</a>.</p>
	E	<b>ETHICS AND SOCIAL RESPONSIBILITY</b>			

A or E	E1	Does the Board ensure that all deliberations, decisions and actions are founded on the core values underpinning good governance and sustainability? These are discharged through the Company's guiding Ethos (Being Bold, Fast, Empowered, Diverse and Responsible) and in line with the Standards of Business Conduct (SoBC). These principles have entrenched the core values captured in the CMA Code.	FA	Yes - Deliberations, decisions and actions are founded on the core values underpinning good governance and sustainability. These are discharged through the Company's guiding Ethos (Being Bold, Fast, Empowered, Diverse and Responsible) and in line with the Standards of Business Conduct (SoBC). These principles have entrenched the core values captured in the CMA Code.	Strategic Report in 2020 Annual Report pg. 26-28 See Standards of Business Conduct on <a href="http://www.batkenya.com">www.batkenya.com</a>
M	E2	Has the Board developed a Code of Ethics and Conduct (which includes sustainability) and has it worked to ensure its application by all directors, management and employees?	FA	Yes - The Company has its Standards of Business Conduct that all Directors, third parties dealing with the Company and employees of the Company adhere to annually.	Standards of Business Conduct and Board Charter (pg. 14) on <a href="http://www.batkenya.com">www.batkenya.com</a> and Corporate Governance Report section of 2020 Annual Report pg. 74, 84.
A or E	E3	How does the Board ensure that compliance with the Ethics Code and Conduct is integrated into company operations?	FA	The Company runs an annual sign-off process where all Directors and employees are required to refresh their adherence to the Standards of Business Conduct and advise on conflicts of interest. Training on compliance with the SoBC is also provided on relevant topics. The Board ensures that the Company's strategies and operations are executed in line with the Standards of Business Conduct (SoBC). All third party contractual arrangements are underpinned by the SoBC and the Supplier Code of Conduct.	Standards of Business Conduct <a href="http://www.batkenya.com">www.batkenya.com</a>
A or E	E4	Does the Board incorporate ethical and sustainability risks and opportunities in the risk management process?	FA	Yes - See disclosure on risk management within the Corporate Governance Report section of the 2020 Annual Report. The Company maintains risk registers on various identified risks e.g. risk of non-compliance with laws, and ensures appropriate actions are taken to mitigate or eliminate certain risks.	Corporate Governance Report section of 2020 Annual Report pg. 83 Board Charter pg. 14.
A or E	E5	How is the company performance on ethics assessed, monitored and disclosed to internal and external stakeholders?	FA	Ethics are assessed on an ongoing basis by the LEX function, which ensures that actions of the Company and its employees are always in line with the company's Statement of Business Principles, Standards of Business Conduct (SoBC), Supplier Code of Conduct, Employment Principles, Health and Safety Policy, International Marketing Principles and Principles of Engagement.  The LEX function monitors compliance with the above principles, policies and standards and advises employees and the Leadership team on the above, as the need arises.  These principles, policies and standards are disclosed to employees on the local intranet site, and to external stakeholders in engagements and contracts and on the company's website.  The Board, with advice from the Audit & Risk Committee, has completed its annual review of the effectiveness of the system of risk management and internal control for the period since January 2019. No significant failings or weaknesses were identified, and the Board is satisfied that, where specific areas for improvement have been identified, processes are in place to ensure that the necessary remedial action is taken and that progress is monitored.	Pg. 83 of the 2020 Annual Report covers performance in risk management and highlights that no significant failings/weaknesses were noted from the risks tracked.
A or E	E6	Has the company established and implemented a whistleblowing policy?	FA	Yes - The Company has a whistleblowing policy and a Speak Up Portal within the Standards of Business Conduct which enables staff, third parties, etc. in confidence, to raise concerns about possible improprieties in financial and other matters, and to do so without fear of reprisal.	Standards of Business Conduct <a href="http://www.batkenya.com">www.batkenya.com</a> , Corporate Governance section of 2020 Annual Report pg. 86
A or E	E7	Has the Board/management developed policies on corporate citizenship and sustainability and strategies for company use?	FA	Yes - See disclosures in 2020 Annual Report. Also see SoBC, Whistleblowing policy, Supplier Code of Conduct, Statement of business principles, Principles of engagement, International Marketing Principles, BAT Kenya Quality Policy Statement, Human and Safety Policy Statement.	Speak Up reporting portal on <a href="http://www.batkenya.com">www.batkenya.com</a> , Corporate Governance Report section of 2020 Annual Report pg. 84, 86
M	E8	Does the Board consider not only the financial performance but also the impact of the company's operations on society and the environment?	FA	Yes - The Company considers the impact of its operations on society and environment. Examples of this may be seen in the Company's recycling activities, energy management and afforestation activities.	Business Review section of 2020 Annual Report pgs. 50-53
A or E	E9	Does the Board monitor and report activities leading to good corporate citizenship and sustainability to demonstrate they are well coordinated?	FA	Yes - the Board monitors and reports activities leading to good corporate citizenship and sustainability. See disclosures in 2020 Annual Report including disclosures on Corporate Social Investment (CSI) and Responsibility.	Strategic Report section of 2020 pg. 87
	<b>F</b>	<b>ACCOUNTABILITY, RISK MANAGEMENT AND INTERNAL CONTROL</b>			
M	F1	Does the Audit Committee and the Board consider and review the financial statements for integrity of the process and for truthful and factual presentation?	FA	Yes - The Board has constituted an effective Audit & Risk Committee which independently reviews, verifies and safeguards the integrity of financial statements and makes recommendations to the Board.	Corporate Governance section of 2019 Annual Reports pg. 83 Board Charter on <a href="http://www.batkenya.com">www.batkenya.com</a>
M	F2	Does the Annual Report contain a statement from the Board explaining its responsibility for preparing the accounts and is there a statement by the external auditor about his/her reporting responsibilities?	FA	Yes - this is encompassed in the Board Charter as part of the responsibilities of the Board and is indicated in the annual report.	Financial Statements and Statement of Directors' Responsibilities section of 20 Annual Report pg. 96-99
A or E	F3	Does the board or audit committee have a process in place to ensure the independence and competence of the Company's external auditors?	FA	Yes - this confirmation is provided at the BARC meetings and contained in the financial statements. See disclosure in the 2020 Annual Report. The Board has an Auditor Independence Policy in place - see Audit & Risk Committee Terms of Reference.	Corporate Governance section of 2020 Annual Report pg. 84
M	F4	Do the shareholders formally appoint the external auditor at the AGM through a formal and transparent process?	FA	Yes - Notice of appointment or re-appointment of External Auditors is a standard agenda item at the AGM. Appointment or re-appointment is put to the Shareholders to vote.	Policy attached to Audit Committee terms of reference in Board Charter and can be viewed on <a href="http://www.batkenya.com">www.batkenya.com</a> 2018, 2019 and 2020 AGM notice are available for viewing on the Company website.

A or E	F5	Is the Company working towards the introduction of integrated reporting (incorporating financial and non-financial information) or is the company's Annual Report prepared on an integrated basis using a framework available from the Integrated Reporting Council, The Global Reporting Initiative, G4 Sustainability Guidelines and/or Sustainability Accrual Standards Board standards?	FA	Yes - The Company adopted integrated reporting many years ago in line with global best standards and strives towards improving the same year on year.	See 2020 Annual Report which evidences integrated reporting.
A or E	F6	Has the Board established an effective risk management framework which is inclusive of key risks as well as foreseeable risks, environmental and social risks and issues?	FA	Yes - The Company has an effective risk management framework in place. See disclosure in 2020 Annual Report and in the Board Charter	Corporate Governance section of 2020 Annual Board Charter pg. 14
M	F7	Has the Board established and reviewed on a regular basis the adequacy, integrity and management of internal control systems and information systems (including for compliance with all applicable laws, regulations, rules and guidelines)?	FA	Yes - The Board has an effective Audit & Risk Committee whose mandate is defined and includes this aspect. The Audit & Risk Committee meets 3 times a year and reports findings from its meeting to the Board. The Company also has a well resourced Internal Audit Function and a Compliance team. The Board also approves and monitors the Audit and Compliance Plan annually. See also disclosures in External Auditors Report in 2020 Annual Report.	Corporate Governance Section of 2019 Annual Report pgs 97-99
M	F8	Does the Board annually conduct a review on the effectiveness of the company's risk management practices and internal control systems and report this to shareholders?	FA	Yes - The Board reviews this through the Audit & Risk Committee and reporting is done to the Board; this is captured in the Annual Report. At the AGM the External Auditor reads the Audit Report and gives his opinion on the internal controls - to date all opinions are unqualified.	Corporate Governance Section of 2020 Annual Report pgs 97-99 Financial Statements section of 2020 Annual Report
M	F9	Has the Board established an effective internal audit function according to Code requirements and which reports directly to the Audit Committee?	FA	Yes - The Company has a well resourced Internal Audit Function which reports directly to the Board Audit & Risk Committee. Internal Audit is also free to meet with the Chair of the Audit & Risk Committee and discuss matters of interest.	Corporate Governance Section of 2020 Annual Report pg. 82
A or E	F10	Does the Board disclose details of Audit Committee activities?	FA	Yes - The Board discloses the activities of the Audit & Risk Committee in the Corporate Governance section of the Annual Report. 2020 Audit Committee activities disclosed in the 2020 Annual Report.	Corporate Governance section of 2020 Annual Report pg. 83
M	G	<b>TRANSPARENCY AND DISCLOSURE</b>			
M	G1	Does the company have policies and processes to ensure timely and balanced disclosure of all material information as required by all laws, regulations and standards and this Code.	FA	Yes - Key areas requiring disclosure as listed in 7.11 have been disclosed in the 2020 Annual Report and / or on the Company's website <a href="http://www.batkenya.com">www.batkenya.com</a> .	2020 Annual Report and website - <a href="http://www.batkenya.com">www.batkenya.com</a>
A or E	G2	Does the Annual Report cover, as a minimum, disclosures as prescribed in 7.11 relating to the company's governance, the Board and the Audit Committee?	FA	Yes - Key areas requiring disclosure as listed in 7.11 have been disclosed in the 2020 Annual Report and / or on the Company's website <a href="http://www.batkenya.com">www.batkenya.com</a> .	Corporate Governance Report section of 2020 Annual Report pgs. 60-85 and website - <a href="http://www.batkenya.com">www.batkenya.com</a>
A or E	G3	Does the Annual Report cover, as a minimum, disclosures as prescribed in 7.11 relating to the company's mission, vision and strategic objectives?	FA	Yes - The Company's Vision, Mission strategic framework disclosed in the Strategic Report section of the 2020 Annual Report and also on the website.	Strategic Report section of 2020 Annual Report pgs. 26-28
A or E	G4	Does the Annual Report cover, as a minimum, disclosures as prescribed in 7.11 relating to remuneration and whistleblowing?	FA	Yes - The Company has disclosed remuneration through the Directors Remuneration Report and the notes in the Financial Statements within the 2019 Annual Report. The existence of a whistleblowing policy is also disclosed in the Annual Report and within the Standards of Business Conduct.	Whistleblowing disclosure pg. 86 Financial Statements section of 2020 Annual Report pgs. 92-95 (Directors Remuneration).
A or E	G5	As a minimum, does the company website disclose current information on all areas prescribed in 7.11 (Board Charter, Whistleblowing Policy, Code of Ethics and information on resignation of directors)?	FA	Yes - The areas for disclosure have been disclosed on the Company website. Populating the website with information is an ongoing process as information changes.	Website - <a href="http://www.batkenya.com">www.batkenya.com</a>
A or E	G6	Does the Board disclose the management discussion and analysis as required in 7.11?	FA	Yes - Disclosures are made as appropriate and in the interests of the Company and its shareholders.	2020 Annual Report
A or E	G7	Has the Board provided disclosures as required in 7.11 on compliance with laws, regulations and standards, ethical leadership, conflict of interest, corporate social responsibility and citizenship?	FA	Yes - Disclosures in Corporate Governance Section of 2020 Annual Report	Corporate Governance Section of 2020 Annual Report pgs. 74-78, 87
A or E	G8	Has the Board made all required disclosures, including confirming requirements of 7.11 which include that a governance audit was carried out and that there are no know/insider dealings?	FA	Yes - All disclosures have been made by the Company to the best of its ability. A Governance Audit was not conducted in 2020 and this was reported in the 2020 Annual Report. 2019 Governance Audit did not report any adverse findings.	Corporate Governance Section of 2020 Annual Report pg. 78.
A or E	G9	Has the Board disclosed the company's risk management policy, company procurement policy, policy on information technology as per 7.11?	FA	Yes - The Company's risk management policy, procurement policy and policy on information technology disclosed in the Corporate Governance section of the 2020 Annual Report	Corporate Governance Section of 2020 Annual Report pgs. 83-84 & 86 Board Charter pg. 14 on <a href="http://www.batkenya.com">www.batkenya.com</a>
M	G10	Has the Board disclosed information on shareholders, including the key shareholders, including shareholding by directors and senior management and the extent of their shareholdings as required in 7.11 and on stakeholder who influence company performance and sustainability?	FA	Yes - Disclosures have been made at the end of the Financial Statements on the 2020 Annual Report headed Principal Shareholders and Share Distribution	Principle Shareholders and Share Distribution section of 2020 Annual Report pg. 151
M	G11	Has the Board disclosed all related-party transactions?	FA	Yes - Related party transactions are disclosed in the Financial Statements.	Financial Statements section of 2020 Annual Report pgs. 149-150
M	G12	Does the Board include in its Annual Report a statement of policy on good governance and the status of the application of this Code?	FA	Yes - Disclosures in Corporate Governance Section of 2020 Annual Report.	Corporate Governance Section of 2020 Annual Report pgs. 86

**Note 1**

The Reporting Template shall be used by companies to report on their application of the provisions of the Code of Corporate Governance Practices for Issuers of Securities to the Public 2015 (the Code). The completion of the Reporting Template and its filing with the Capital Markets Authority (CMA) will fulfill the reporting requirements of the Code at 1.1.3 paragraph 2. All elements marked in green are mandatory and MUST be complied with. Failure to fully apply will result in regulatory sanctions. When completing column 'F' for MANDATORY ITEMS, 'FA' will mean 'Fully Complied With', 'PA' will mean 'Partially Complied With' and 'NA' will mean 'Not Complied With'.

**Note 2**

Column 'F' should be marked as follows: 'FA' - Full Application, 'PA' - Partially Applied or 'NA' - Not Applied. Full application of this Code is required by the Code. Therefore anything less than 'full application' is considered 'non compliance or non-application' of the Code. A response of 'FA' or 'NA' is non-compliance and requires an explanation to be provided with a firm commitment to moving towards full compliance. See also Note 4.

**Note 3**

An explanation of how the Code provision is applied is required in column 'G' and shall be supported by evidence of how application has been achieved. If the provision is NOT applied, an explanation for why it is not applied or only partially applied is required in column 'G'. For each question, column 'G' must be completed.

**Note 4**

If an explanation is required because of non-application of any element of the Code, the explanation must be satisfactory, must be provided to relevant stakeholders including the Capital Markets Authority and shall include:

a: reasons for non-application

b: time frame required to meet each application requirement

c: the strategies to be put in place to progress to full application.