



Nominations & Governance Committee Terms of Reference

A. Constitution

The Nominations and Governance Committee was formally constituted by Ordinary Resolution passed by the Board of British American Tobacco Kenya plc (BAT Kenya) on Friday, 8th November 2002.

B. Purpose

The role of the Nominations and Governance Committee is to:

- 1) Recommend suitable candidates for appointment to the BAT Kenya Board and its Committees and ensuring that all have an appropriate balance of expertise and ability;
- 2) Reviewing the succession plans for members of the Board and evaluating the effectiveness of the Board and the effectiveness of the Directors in the discharge of their responsibilities;
- 3) Review the Company's corporate governance framework and policies to ensure their effectiveness;
- 4) Review the Company's sustainability framework and objectives;
- 5) Assess the performance and effectiveness of the Board, the Committees, Directors, and Company Secretary of the company; and
- 6) Advise the Board periodically of significant developments in the law and practice of Corporate Governance.

C. Membership and Procedures

The Nominations and Governance Committee is appointed by the Board and comprises of at least three (3) members, who shall all be Independent Non-Executive Directors and shall include the Chair of the Board.

The quorum is any two (2) members of the Committee including the Chair or in his/her absence the designated Emergency Alternate. Where it is not possible to physically attend a meeting due to a pandemic or national disaster, attendance via electronic means shall be sufficient for all intents and purposes of the meeting and the members present (physical and online) shall count for purposes of establishing quorum. A member whose re-election to the Board is being considered shall not form part of the quorum. Where quorum is not reached following disqualification of a member to deliberate and vote on an agenda item, that agenda item shall be forwarded to the full board for deliberation.

The Chairperson of the Board will chair the Nominations and Governance Committee, and, in his/her absence, the designated Emergency Alternate will chair the meeting. The Emergency Alternate will chair the Nominations and Governance Committee when it is considering a successor to the Chair.

The Managing Director and Finance Director will regularly attend meetings of the Nominations and Governance Committee as permanent invitees. Other relevant members of senior management may attend by invitation.

No one other than the Nominations and Governance Committee Chair and members will be entitled as of right to vote at a meeting of the Nominations and Governance Committee.

The Company Secretary or his or her nominee will act as the Secretary of the Nominations and Governance Committee.



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The Nominations and Governance Committee will meet at least two (2) times a year and at such other times as the Committee Chair or any member of the Committee may request. The agenda for the meetings will be determined by the Chair of the Nominations and Governance Committee or in his/her absence, the Emergency Alternate Chair, taking into account the views of other members of the Committee as appropriate. The agenda and supporting papers, unless otherwise agreed, shall be circulated to each member of the Committee and invitee(s) no fewer than four working days prior to the date of the meeting.

Unless varied by these terms of reference, meetings and proceedings of the Nominations and Governance Committee will be governed by the Company's Articles of Association.

D. Authority

The Nominations and Governance Committee is authorised by the Board to seek any information it requires from and require the attendance at any of its meetings of, any Director or member of Management, and all employees are expected to cooperate with any request made by the Committee.

The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other independent professional advice and counsel including independent consultants and to secure the attendance of advisors with relevant experience and expertise if it considers this necessary.

E. Responsibilities and Objectives

1. Board Composition

The Committee shall:

- (i) regularly review the structure, size and composition of the Board and Board Committees, make recommendations to the Board to ensure that it has an appropriate balance of skills, expertise, knowledge, race, gender and independence, in line with the Board Diversity Policy and with a view to ensuring the continued ability of the Company to compete effectively in the market place;
- (ii) on an annual basis review the required skills mix and expertise that the Executive and Non-Executive Directors bring to the Board and ensure that disclosure of the same is made in the Company's Annual Report; and
- (iii) make such recommendations to the Board with regard to the composition of the Board as it may consider necessary.

2. Board Appointments

The Committee will:

- (i) prepare a description of the role and capabilities required for a particular appointment and regularly review the profiles of the required skills and attributes for membership of the Board;
- (ii) be responsible for identifying and nominating candidates, for the approval of the Board, to fill vacancies on the Board, ensuring that such candidates are persons of calibre with the



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necessary skills and expertise to exercise independent judgement on issues that are necessary to promote the Company's overall interests; and

- (iii) ensure that all appointments are made on merit against objective criteria and with due regard for the benefits of diversity, including gender diversity.

3. Managing Director and Executive Director Appointments

The Committee will review and, if considered appropriate, provide feedback to the Board in respect of proposed Executive appointments to the Board.

4. Succession Planning

The Committee will

- i) satisfy itself that processes and plans are in place for orderly succession for appointments to the Board, Board Committees and the position of Managing Director, to maintain an appropriate balance of skills and experience and to ensure their progressive refreshing;
- ii) endeavour to ensure that the term of office of members of the Board is organised in such a way as to end at different times to secure retention of institutional memory and to aid the process of inducting new Board members; and
- iii) ensure that the Managing Director has put into place and is monitoring succession planning systems and policies for senior management, including processes to identify, develop and retain the talent of key senior managers while maintaining an appropriate balance of skills and experience and ensuring their progressive refreshing.

5. Evaluation of Board, Director and Senior Management Effectiveness

The Committee will:

- (i) conduct a critical evaluation of the activities of the Board and Board Committees on an annual basis;
- (ii) discuss the results of the review of the Board and its Committees and present such with recommendations to the Board;
- (iii) ensure the results of the review of individual performance by each Director (excluding the Chair) are discussed by the Chair with each Director individually;
- (iv) ensure the results of the Chair, Managing Director and Company Secretary's performance are discussed by the Nominations and Governance Committee and feedback is given to them by the Committee members; and
- (v) Review and appraise the Managing Directors' performance and make necessary recommendations to the Board.

6. Governance Responsibilities

The Committee will:



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- i) assist the Board in fulfilling its governance oversight, foresight and insight responsibilities and assess risk associated with its corporate governance framework.
- ii) review the corporate governance framework and recommend changes to the board charter, policies, procedures and Committee terms of reference to enhance the effectiveness of BAT Kenya's governance framework;
- iii) monitor legislation, governance best practices and regulatory developments related to corporate governance and recommend necessary actions to ensure that high standards of corporate governance are maintained;
- iv) ensure proper orientation, support and continuing education for the Directors;
- v) assess, annually, the Board and its Committees' compliance with respect to corporate governance policies;
- vi) review the relationship between Management and the Board and make recommendations on the framework for continuous flow of feedback between Board and Management;
- vii) ensure that the Governance Audit and Legal and Compliance Audit are conducted, review the audit recommendations and make necessary recommendations to the Board.
- viii) Manage and oversee the implementation of the Company's ESG agenda as set by the Board from time to time in line with the applicable laws, regulations and standards including ESG reporting as required by the regulator(s).

7. Commitment

The Committee will:

- (i) assess and articulate the time needed to fulfil the role of Chair, and Non-Executive Director and ensure that Letters of Appointment detail the role and time commitments; and
- (ii) ensure that Non-Executive Directors undertake that they will have sufficient time to fulfil their duties and that any significant new appointments outside the Company are disclosed to the Chair and the Board (as appropriate) prior to their acceptance.

8. Other matters

The Committee will:

- i) make recommendations to the Board:
 - as regards the re-appointment of any Non-Executive Director at the conclusion of their specified term of office after formally reviewing the Director's performance, conducting a particularly rigorous review in respect of service beyond six years;
 - concerning the re-election by shareholders of any Director;
 - concerning the continuation in office of any Director at any time; and,
 - concerning the independence of Non-Executive Directors as defined by the CMA Code of Corporate Governance Practices for Issuers of Securities to the Public 2015.



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- ii) review the section of the Annual Report describing the work of the Committee and how it has discharged its responsibilities, its members and their attendance records and the number of meetings held.
- iii) review and make recommendations to the Board on the annual Corporate Governance Report included in the Annual Report.
- iv) make recommendations regarding the membership of the Board's Committees;
- v) generally, have regard to the CMA Code of Corporate Governance Practices for Issuers of Securities to the Public 2015 in carrying out the duties specified above; and,
- vi) periodically review its own performance and, at least annually, review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- vii) give due consideration to all applicable laws and regulations, as appropriate.
- viii) The Committee shall have access to sufficient resources in order to carry out its duties.
- ix) The Committee shall work and liaise with all other Board Committees.
- x) No Member of the Committee may participate in any decision with respect to his or her position.

9. Review of the Terms of Reference

The Terms of Reference shall be reviewed annually by the Committee which shall recommend any proposed changes to the Board for approval.

Signed: Rita Kavashe
Chair, Nominations & Governance Committee

Reviews & Updates:

- Terms of Reference of Nominations & Governance Committee were reviewed by the Committee on 14 July 2020 and approved by the Board on 15 July 2020.
- Terms of Reference of the Nominations & Governance Committee reviewed by the Committee on 14 July 2022 and approved by the Board on 14 July 2022.
- **Terms of Reference of the Nominations & Governance Committee reviewed by the Committee on 24 July 2024 and approved by the Board on 25 July 2024.**