



BOARD OF DIRECTORS SUCCESSION PLANNING POLICY

REAL PEOPLE KENYA LIMITED

S. No	Version	Revision Date	Author	Areas Revised	Scope	Document Owner
1.	1.0.0		Simon Owawa	Initial Draft	RPKL	Legal and Compliance Department

Board of Directors Succession Planning Policy

1. Introduction and Purpose

- 1.1. Board succession planning is a key aspect of corporate governance. The Board of Directors of Real People Kenya Limited (**RPKL**) (hereinafter referred to as the “**Board**”) is charged with ensuring that effective processes are in place to provide continuity on the board in respect of an appropriate mix of diversity, independence, skills and expertise.
- 1.2. The purpose of this Policy is to provide guidelines and procedures for the selection, appointment, and development of individuals to serve on the Board.
- 1.3. The Board has established the Remuneration and Nominations Committee (REMNCO), which has the responsibility for identifying and assessing potential candidates for directorship as well as ensuring that an appropriate board succession plan is in place for RPKL and periodically reviewed.
- 1.4. This policy aims to ensure a smooth and effective transition of leadership, maintain stability and continuity, and enhance corporate governance practices.

2. Policy Statement

- 2.1. RPKL is committed to maintaining a diverse, independent, and highly qualified Board of Directors.
- 2.2. The process of board succession shall be transparent, fair, and aligned with the long-term strategic objectives of RPKL.
- 2.3. This policy will not address executive management succession planning.

3. Key Principles

- 3.1. This policy shall be guided by the following principles:

- 3.1.1. **Composition of the Board:** RPKL Board composition is guided by the articles of association, the Board Charter and regulatory body (i.e., Capital Markets Authority). The Board will take into account the right size and balance between independent and non-independent directors.
- 3.1.2. **Diversity:** The Board shall strive to include directors with diverse backgrounds, skills, experience, and perspectives to foster effective decision-making and represent the interests of stakeholders.
- 3.1.3. **Competence:** Directors shall possess the necessary qualifications, knowledge, and expertise in areas relevant to the corporation's strategic objectives, industry, and operations.
- 3.1.4. **Director orientation and ongoing director development:** It is recognised that new directors need to be oriented to RPKL's business, strategic plan, governance duties, governance protocols and the expectations of a director. All Directors require ongoing education on the sectors in which RPKL operates, the specific priorities of RPKL, stakeholder needs, and governance evolution. Following on the competency and attribute evaluation,

some training or mentorship may be specifically needed to bridge any specific learning opportunities or gaps identified.

3.1.5. **Succession Planning:** The Board shall proactively identify and nurture potential board members to provide a pipeline of qualified candidates for future vacancies.

3.1.6. **Regulatory approval:** In planning, consideration must be given to any requirements relating to approval/non-objection of the regulator being required prior to the appointment of directors.

4. Succession Planning

4.1. Succession Planning refers to the Board's process and plans for replacing the members of the Board over both short and longer term, including contingency planning for unexpected board departures. It also involves planning for Board refreshment.

4.2. The time horizons considered are described as below:

4.2.1. **Contingency planning:** for sudden and unforeseen departures, such as instances where the director has an unexpected conflict with other interests, or because of illness.

4.2.2. **Medium-term planning:** the orderly replacement of current board members, such as in the event of directors indicating plans for retirement. This includes aiming to having staggered departure dates and involve considering what gaps, such as relating to skills and diversity, will be created as a result of the departure(s).

4.2.3. **Long-term planning:** this refers to the relationship between the delivery of RPKL's strategy and objectives and the skills needed on the Board now and in the future, rather than just replacing directors as they leave. It involves taking a holistic view of the size and shape of the Board and of the skills, experience and diversity characteristics that it needs in the long-term, taking into account RPKL's strategy.

4.3. Succession planning falls under the fiduciary "duty of care", which means that the Board is responsible for ensuring the long-term sustainability of the organisation; this includes recruiting and managing effective leadership at the board level.

5. Succession Planning Process

5.1. The Board shall conduct a periodic evaluation of its overall effectiveness, considering factors such as composition, diversity of skills and experiences, and committee structure. This evaluation may be performed by the Board itself, REMNCO or by engaging an independent external assessor with expertise in board evaluation (subject to availability of funds).

5.2. Each Director shall undergo a periodic self-assessment against a pre-defined set of criteria outlining desired skills, experience, and attributes for Board membership. This self-assessment may be supplemented by a peer evaluation process facilitated by REMNCO.

- 5.3. Based on the Board and individual director assessments, REMNCO will identify any gaps in skills, experience, or diversity required for the Board to effectively govern the company in the current and future business landscape.
- 5.4. REMNCO will maintain a continuously updated talent pool of qualified individuals who possess the desired skills and experience identified through the assessment process. This pool may include internal candidates from senior management and external candidates with relevant expertise.
- 5.5. The Board in collaboration with REMNCO may establish mentorship programs or provide professional development opportunities for high-potential internal candidates to prepare them for future Board positions.
- 5.6. If the Board/REMNCO anticipates that a director position shall become vacant within the next twelve (12) to fifteen (15) months (whether by reason of an announced intent to retire or otherwise) or, if a director position shall suddenly become vacant (whether by death, disability or otherwise), REMNCO shall, as soon as reasonably practicable, convene a special meeting and recommend to the Board nominees for election as director after complying with the procedure outlined in clause 5.9 below.
- 5.7. In identifying potential board candidates, REMNCO shall be cognisant of the Board's current needs and the potential needs of the Board over the next three (3) to five (5) years and to use that information when recruiting Board candidates (as against evaluating the departing director's skills and expertise and looking for someone with similar qualities to fill the vacancy). It is recommended that REMNCO review at least two candidates, in order to provide a recommendation to the Board as well as to build a talent pipeline.
- 5.8. When identifying potential candidates for nomination as director, REMNCO may consult whatever source it deems appropriate, including referrals from existing directors or officers or recommendations from a third-party search firm. REMNCO shall have the authority to retain whatever advisors (including search firms and professional advisors) it believes appropriate in its effort to identify and evaluate potential nominees.
- 5.9. The procedure for filling vacant slot in the Board shall be as follows:
 - 5.9.1. **Identification:** The Board, in collaboration with REMNCO, shall regularly review and assess the skills and expertise required to fill future board vacancies based on current and anticipated RPKL needs.
 - 5.9.2. **Nomination and Selection:** A formal and transparent nomination process shall be established to identify potential candidates, from the talent pool mentioned in clause 5.4 above. REMNCO shall evaluate the candidates based on predetermined criteria, including competence, integrity, independence, diversity, and compatibility with the Board's culture.

- 5.9.3. **Evaluation and Assessment:** The nominee director(s) shall undergo a thorough evaluation process, including background checks, interviews, references, and assessments of their skills and suitability to serve on the Board.
- 5.9.4. **Regulatory Approval:** The successful candidate (s) shall fill fit and proper form and the same shared with Capital Markets Authority for approval.
- 5.9.5. **Board Approval:** The name (s) of the successful candidate shall be tabled before the Board for approval as soon as is reasonably practical and their appointment subsequently ratified by the shareholders of RPKL at the Annual General Meeting.
- 5.9.6. **Development and Orientation:** Newly appointed directors shall receive comprehensive induction and ongoing training to familiarize them with RPKL's governance structure, policies, and strategic objectives. Continuing education opportunities shall be provided to enhance their skills and knowledge.

6. Communication and Transparency

- 6.1. The Board shall engage with RPKL shareholders to understand their expectations and concerns regarding board composition and succession planning. Shareholders shall be provided with relevant information on the RPKL's succession policies and board composition practices.
- 6.2. RPKL shall disclose board succession policies in its annual reports, corporate governance guidelines, and on its website. Succession plans will be communicated to directors, shareholders, and other stakeholders with appropriate confidentiality.

7. Review and Evaluation

- 7.1. REMNCO shall disclose details of activities carried out in relation to succession planning to the Board at least once per year.
- 7.2. The Board shall review and evaluate the effectiveness and compliance of the board succession policy after every **two (2) years**, and make necessary revisions and improvements as required.

8. Compliance and Implementation

RPKL shall develop necessary procedures and mechanisms to ensure the effective implementation and adherence to this succession policy. REMNCO shall have the responsibility to oversee the policy's implementation and resolve any issues or challenges that arise.

End

Signed By: Titus M. Karanja
Chair of the Board of Directors



Signed By: Yvonne M. Godo
Chair of the Remuneration and Nominations Committee



7 May 2024