



REMUNERATION AND NOMINATIONS COMMITTEE CHARTER

REAL PEOPLE KENYA LIMITED

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1.	1.0.0	July, 2015		Initial Draft	RPKL	Legal and Compliance Department
2.	1.0.0	October 2024	Simon Owawa	Comprehensive	RPKL	Legal and Compliance Department

REMUNERATION AND NOMINATIONS CHARTER

REAL PEOPLE KENYA LIMITED ('THE COMPANY')

1. CONSTITUTION

- 1.1. The Remuneration and Nominations Committee (hereafter the "Committee") is established as a sub-committee of the Real People Kenya Board (the "Board") to assist in the execution of its duties.
- 1.2. The duties and responsibilities of the Committee members as set out in this document are in addition to those duties and responsibilities they have as members of the Board.
- 1.3. The deliberations of the Committee do not reduce the individual and collective responsibilities of Board members regarding their fiduciary duties and responsibilities, and they must continue to exercise due care and judgement in accordance with their legal obligations.
- 1.4. These Terms of Reference are subject to the provisions of the Companies Act, the Company's Memorandum and Articles of Association, and any other applicable law or regulatory provision.

2. PURPOSE

- 2.1. The primary purpose of the Committee is to:
 - 2.1.1. Oversee the nomination and appointment process for directors and senior executives.
 - 2.1.2. Ensure the Board and its committees have the right balance of skills, knowledge, experience, and diversity.
 - 2.1.3. Develop and implement policies on executive remuneration.
 - 2.1.4. Ensure alignment of the remuneration strategy with the company's purpose, values, and long-term interests.
 - 2.1.5. Oversee the Company's overall human resources strategy and organisational culture.
 - 2.1.6. Ensure compliance with relevant laws and regulations regarding remuneration and board composition.

3. AUTHORITY

- 3.1. The Committee is accountable to the Board in respect of its terms of reference.
- 3.2. The Committee is authorised to:
 - 3.2.1. Investigate any activity within its terms of reference.
 - 3.2.2. Seek any information it requires from any employee of the Company.
 - 3.2.3. Obtain outside legal or other professional advice on any matter within its terms of reference.
 - 3.2.4. Secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

- 3.2.5. Engage and terminate any external advisors, including remuneration consultants and search firms.
- 3.2.6. Approve public disclosure of remuneration matters.

4. COMPOSITION

- 4.1. The Committee shall comprise at least three non-executive directors, the majority of whom should be independent.
- 4.2. The Board shall appoint the Committee Chair, who shall be an independent non-executive director.
- 4.3. Appointments to the Committee shall be for a period of up to three years, extendable by no more than one additional three-year periods, provided members continue to be independent.
- 4.4. At least one member shall have relevant industry experience, and another shall have expertise in human resources or remuneration practices.

5. MEETINGS

- 5.1. The Committee shall meet at least four times a year and otherwise as required.
- 5.2. The quorum for meetings shall be two members.
- 5.3. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, the head of Human Capital, and external advisers may be invited to attend all or part of any meeting, as and when appropriate.
- 5.4. The Committee shall meet without management present at each meeting.
- 5.5. The CEO shall not be present during discussions related to his/her own remuneration.
- 5.6. The Company Secretary or their nominee shall act as the secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.
- 5.7. The Legal and Compliance Officer shall act as the secretary of the Committee in the absence of the Company Secretary.

6. DUTIES – NOMINATION

The Committee shall:

- 6.1. Regularly review the structure, size, and composition (including the skills, knowledge, experience, and diversity) of the Board and make recommendations to the Board with regard to any changes.
- 6.2. Ensure plans are in place for orderly succession to Board and senior management positions and oversee the development of a diverse pipeline for succession.
- 6.3. Be responsible for identifying and nominating for the Board's approval, candidates to fill Board vacancies as and when they arise.
- 6.4. Evaluate the balance of skills, knowledge, experience, and diversity on the Board before any appointment is made and prepare a description of the role and capabilities required for a particular appointment.

- 6.5. Assess the independence of non-executive directors.
- 6.6. Review the results of the Board performance evaluation process that relate to the composition of the Board and succession planning.
- 6.7. Oversee the induction program for new directors.
- 6.8. Oversee ongoing director education and development programs.

7. DUTIES – REMUNERATION

The Committee shall:

- 7.1. Have responsibility for setting the remuneration policy for all executive directors and the Company's Chairman, including pension rights and any compensation payments.
- 7.2. Recommend and monitor the level and structure of remuneration for senior management.
- 7.3. Review the ongoing appropriateness and relevance of the remuneration policy.
- 7.4. Obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity.
- 7.5. Establish the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.
- 7.6. Approve the design of, and determine targets for, any performance-related pay schemes operated by the Company and approve the total annual payments made under such schemes.
- 7.7. Review the design of all share incentive plans for approval by the Board and shareholders.
- 7.8. Review and approve employment agreements and termination arrangements for executive directors.
- 7.9. Oversee the Company's remuneration disclosure in the annual report.
- 7.10. Review and recommend non-executive director remuneration to the Board.

8. EVALUATION PROCEDURES

The Committee shall oversee the implementation of comprehensive evaluation procedures for the Board, its committees, the CEO, Board Chair, and Company Secretary. These evaluations are crucial for maintaining effective corporate governance and driving continuous improvement.

8.1. Board Evaluation

- 8.1.1. Conduct annual formal evaluations of the Board's effectiveness.
- 8.1.2. Use a combination of self-assessment questionnaires, peer evaluations, and periodic external facilitator-led evaluations.
- 8.1.3. Assess key areas including Board composition, strategic alignment, risk management oversight, succession planning, and Board dynamics.

- 8.1.4. Develop and monitor the implementation of action plans based on evaluation results.
- 8.2. Committee Evaluations
 - 8.2.1. Conduct annual evaluations for each Board committee.
 - 8.2.2. Utilise self-assessment questionnaires, interviews, and reviews of committee charters.
 - 8.2.3. Evaluate committee composition, understanding of roles, meeting effectiveness, and alignment with charters.
 - 8.2.4. Develop committee-specific action plans based on evaluation outcomes.
- 8.3. CEO Evaluation
 - 8.3.1. Conduct formal annual evaluations of the CEO's performance against predetermined objectives.
 - 8.3.2. Employ multiple evaluation methods, including Board assessment, CEO self-assessment, and 360-degree feedback.
 - 8.3.3. Assess financial performance, strategic goal achievement, leadership effectiveness, and stakeholder management.
 - 8.3.4. Link evaluation results to compensation decisions and development planning.
- 8.4. Board Chair Evaluation
 - 8.4.1. Conduct annual evaluations of the Board Chair's effectiveness.
 - 8.4.2. Gather feedback from all Board members and consider periodic external facilitator assessments.
 - 8.4.3. Evaluate leadership of Board meetings, fostering of Board culture, and management of Board-management relationships.
 - 8.4.4. Develop action plans for identified areas of improvement.
- 8.5. Company Secretary Evaluation
 - 8.5.1. Conduct annual evaluations of the Company Secretary's performance.
 - 8.5.2. Gather feedback from Board members, committee chairs, and senior management.
 - 8.5.3. Assess quality of Board support, compliance management, and advisory role on governance matters.
 - 8.5.4. Develop performance improvement and development plans based on evaluation outcomes.
- 8.6. General Evaluation Principles
 - 8.6.1. Ensure confidentiality and anonymity in all evaluation processes where appropriate.
 - 8.6.2. Foster a culture of continuous improvement through open and honest feedback.

- 8.6.3. Regularly review and update evaluation processes to ensure their effectiveness.
- 8.6.4. Consider appropriate levels of disclosure on evaluation processes and outcomes in annual reports.
- 8.6.5. Follow up on action items from previous evaluations to ensure continuous improvement.

9. REPORTING RESPONSIBILITIES

- 9.1. The Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.3. The Committee shall compile a report of its activities to be included in the Company's annual report, including:
 - 9.3.1. The process used to make appointments and explain if external advice or open advertising has not been used.
 - 9.3.2. A summary of the Board evaluation process and key outcomes.
 - 9.3.3. The company's diversity policy, including any measurable objectives and progress towards achieving those objectives.
 - 9.3.4. An overview of the remuneration policy and how it has been implemented in the year under review.
- 9.4. The Committee shall review and approve the remuneration report before its inclusion in the annual report.
- 9.5. The Committee Chair shall be available to answer questions at the annual general meeting.

10. RISK MANAGEMENT

- 10.1. The Committee shall identify and manage risks related to remuneration and succession planning.
- 10.2. The Committee shall regularly review and assess the effectiveness of the Company's remuneration policies in the context of risk management.

11. STAKEHOLDER ENGAGEMENT

- 11.1. The Committee shall engage with shareholders and other stakeholders on remuneration and board composition matters as appropriate.
- 11.2. The Committee shall consider stakeholder feedback in its decision-making processes.

12. OTHER MATTERS

The Committee shall:

- 12.1. Have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required.

- 12.2. Be provided with appropriate and timely training, both in the form of an induction program for new members and on an ongoing basis for all members.
- 12.3. Give due consideration to laws and regulations, the provisions of any applicable Corporate Governance Code and any other applicable rules, as appropriate.
- 12.4. Arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- 12.5. Work and liaise as necessary with all other Board committees.
- 12.6. Manage conflicts of interest, particularly in relation to remuneration decisions.
- 12.7. Have the right to set its own agenda.

13. AUTHORITY

- 13.1. The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.
- 13.2. The Committee is authorised to seek any information it requires from any employee of the Company in order to perform its duties.
- 13.3. The Committee is authorised to oversee any investigation of activities which are within its terms of reference.

14. REVIEW OF CHARTER

- 14.1. This Charter shall be reviewed by the Committee as and when required, and at least annually.
- 14.2. Any revisions to the Charter must be approved by the Board.

End

Signed By: Titus M. Karanja

Chairman of the Board of Directors



DATE: 31.10.2024