



DIRECTOR BOARD SERVICE LIMITATION POLICY

REAL PEOPLE KENYA LIMITED

| S. No | Version | Revision Date | Author | Areas Revised | Scope | Document Owner |
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| 1. | 1.0.0 | September 2024 | Simon Owawa | Initial Draft | RPKL | Legal and Compliance Department |

Director Board Service Limitation Policy

1. Purpose

- 1.1. The purpose of this policy is to establish clear guidelines governing the number of directorships that members of the Board of Directors of Real People Kenya Limited (**RPKL**) (hereinafter referred to as the "**Board**") may hold concurrently.
- 1.2. This policy aims to:
 - 1.2.1. Ensure that Directors can dedicate sufficient time, attention, and effort to their duties and responsibilities at RPKL.
 - 1.2.2. Promote effective governance, robust oversight, and active participation in Board activities.
 - 1.2.3. Mitigate potential conflicts of interest arising from multiple directorships.
 - 1.2.4. Enhance the quality of Board deliberations and decision-making processes.
 - 1.2.5. Align with best practices in corporate governance and regulatory requirements.
 - 1.2.6. Maintain stakeholder confidence in the Board's commitment to RPKL's affairs.
- 1.3. This policy recognizes that while multiple directorships can provide valuable experience and insights, they may also lead to over-commitment and reduced effectiveness if not properly managed.

2. Scope

- 2.1. This policy applies to all members of the Board of Directors of RPKL.
- 2.2. The policy covers directorships and equivalent positions in:
 - 2.2.1. Public listed companies.
 - 2.2.2. Private companies.
 - 2.2.3. Non-profit organizations.
 - 2.2.4. Any other entities that may require a similar level of commitment and responsibility.

2.3. This policy shall be applicable:

2.3.1. Upon appointment of new Directors.

2.3.2. Throughout the tenure of existing Directors.

2.3.3. When considering additional directorships or commitments.

2.3.4. During annual reviews of Directors' commitments and performance.

2.4. The policy shall be read in conjunction with RPKL's Articles of Association, Board Charter, and any relevant laws or regulations governing director appointments and duties.

3. Policy Statement

3.1. RPKL recognizes the value of experience and networks that Directors may gain through multiple directorships. However, the company also acknowledges the need to ensure that its directors can fully meet their fiduciary duties and responsibilities.

3.2. Therefore, RPKL hereby establishes limitations on the number of concurrent directorships that Board members may hold, as detailed in Section 4 of this policy.

3.3. RPKL requires all Directors to:

3.3.1. Meet all minimum attendance and participation requirements for RPKL Board and committee meetings as set forth in the Board Charter.

3.3.2. Ensure they have sufficient time and capacity to prepare for and attend Board and committee meetings, strategic planning sessions, and other company events.

3.3.3. Actively participate in Board discussions, decision-making processes, and oversight activities.

3.3.4. Stay informed about RPKL's business, industry trends, and relevant regulatory developments.

3.3.5. Avoid any conflicts of interest that may arise from multiple directorships.

- 3.4. RPKL expects all directors to comply with this policy and to exercise sound judgment in accepting additional directorships or commitments that may impact their ability to serve effectively on the company's Board.
- 3.5. The Remuneration and Nominations Committee and the Board reserve the right to review and assess the commitments of Directors on an ongoing basis and to request changes if deemed necessary for the best interests of RPKL.
- 3.6. Non-compliance with this policy may result in actions as outlined in Section 5.4, including potential requests for resignation from certain directorships.

4. **Limitations on Directorships**

4.1. Non-Executive and Independent Directors

- 4.1.1. Non-executive and independent directors shall not hold directorship positions in more than three (3) public listed companies at any given time.
- 4.1.2. In addition to public listed companies, such directors shall not hold more than five (5) active directorships in private companies or non-profit organizations, subject to the classification and exemptions provided in Section 4.5.

4.2. Executive Directors

- 4.2.1. Executive directors shall be restricted to holding a directorship in no more than one (1) other public listed company in addition to their position within RPKL.
- 4.2.2. Executive directors may hold up to five (5) active directorships in private companies or non-profit organizations, subject to the classification and exemptions provided in Section 4.5..

4.3. Chairperson

- 4.3.1. The Chairperson of the Board shall not hold such position in more than two (2) public listed companies at any given time, including their position within RPKL.
- 4.3.2. The Chairperson may hold up to five (5) additional active directorships in private companies or non-profit organizations, subject to the classification and exemptions provided in Section 4.5.

4.4. Corporate Directors

- 4.4.1. In cases where a corporate director has appointed an alternate director, the appointment of such alternate director shall be restricted to two (2) public listed companies at any given time.
- 4.4.2. Corporate directors shall be subject to the same limitations as non-executive directors for private company and non-profit organization directorships.

4.5. Calculation of Directorships

- 4.5.1. For the purpose of calculating the number of directorships:

- 4.5.1.1. Directorships in subsidiaries of RPKL shall not be counted.

- 4.5.1.2. Directorships in joint ventures where RPKL has an interest shall be counted as 0.5 directorships.

- 4.5.1.3. Directorships in companies within the same group shall be counted as one directorship.

- 4.5.2. Exemption and classification of private company directorship and non-profit organization directorship:

- 4.5.2.1. Dormant companies (as defined by applicable company law) shall not be counted toward the directorship limit, provided the Director submits annual confirmation of dormant status.

- 4.5.2.2. Private companies shall be classified according to the following commitment tiers, with corresponding weightage:

- 4.5.2.2.1. **High commitment** (weight 1.0): Companies requiring monthly or more frequent meetings and significant ongoing oversight.

- 4.5.2.2.2. **Medium commitment** (weight 0.5): Companies requiring quarterly meetings and moderate oversight.

- 4.5.2.2.3. **Low commitment** (weight 0.25): Companies requiring biannual or annual meetings with minimal oversight.

- 4.5.2.3. The total weighted sum of private company directorships shall not exceed 5.0 for any Director.

- 4.5.3. Assessment of Potential Conflicts:

4.5.3.1. A directorship shall be deemed to present a potential conflict of interest if it involves:

4.5.3.1.1. A company operating in the same industry sector as RPKL.

4.5.3.1.2. A direct competitor of RPKL.

4.5.3.1.3. A significant supplier to or customer of RPKL.

4.5.3.1.4. A company with substantial business relations with RPKL. A substantial business relation with RPKL means: "A business relationship where the annual value of transactions between the company and RPKL exceeds 5% of either entity's annual revenue, or where the company provides goods or services deemed critical to RPKL's core operations, or where RPKL is dependent on the company as a primary supplier or customer, such that any disruption in the relationship would materially impact RPKL's financial performance or operational capabilities."

4.5.3.2. Directors shall not hold positions in companies determined to have conflicts of interest, regardless of the directorship limits established in this policy.

5. Disclosure and Compliance

5.1. Disclosure of Directorships

5.1.1. All directors shall disclose their existing directorships upon appointment and notify the Board of any changes in their directorships within five (5) business days of such change.

5.1.2. Directors shall provide an annual declaration of their directorships and other commitments to the Company Secretary using the prescribed Annual Directorship Declaration Form, including information on the commitment level and potential conflicts of each directorship.

5.2. Annual Review

5.2.1. The Remuneration and Nominations Committee shall conduct an annual review of each director's other commitments to ensure compliance with this policy.

5.2.2. The review shall include an assessment of the director's attendance record, participation in Board meetings, and overall contribution to RPKL's governance and strategic direction.

5.3. New Appointments

- 5.3.1. Directors shall obtain written approval from the Chairperson and the Remuneration and Nominations Committee before accepting any new directorship in other companies.
- 5.3.2. The request for approval shall include:
 - 5.3.2.1. The name and business of the company offering the directorship.
 - 5.3.2.2. The expected time commitment required, including frequency of meetings and other responsibilities.
 - 5.3.2.3. An assessment of any potential conflicts of interest in relation to RPKL'S business.
 - 5.3.2.4. The tier classification (high, medium, or low commitment) being requested.
- 5.3.3. The Remuneration and Nominations Committee shall provide a decision within three (3) business days of receiving the request.

5.4. Non-Compliance

- 5.4.1. In the event of non-compliance with this policy, the Director shall be given a period of three (3) months to rectify the situation.
- 5.4.2. Failure to comply within the given timeframe may result in the Board requesting the Director to resign from one or more of their directorships, as determined by the Board.

6. Exceptions

- 6.1. In exceptional circumstances, the Board may grant a waiver to this policy if it determines that the additional directorship(s) will not impair the director's ability to effectively serve on RPKL's Board.
- 6.2. Requests for exceptions must be submitted in writing to the Chairperson and the Remuneration and Nominations Committee, detailing:
 - 6.2.1. The nature of the additional directorship(s).
 - 6.2.2. The reasons for seeking an exception.

- 6.2.3. How the Director intends to manage their time and responsibilities.
- 6.2.4. The expected duration for which the exception is needed.
- 6.3. The Board shall consider the following factors when evaluating exception requests:
 - 6.3.1. The Director's attendance record and participation in Board meetings.
 - 6.3.2. The nature and extent of the director's other commitments.
 - 6.3.3. The potential benefits to RPKL from the additional directorship(s).
 - 6.3.4. Any potential conflicts of interest.
 - 6.3.5. The Director's historical performance and contribution to RPKL.
- 6.4. Exceptions granted by the Board shall be:
 - 6.4.1. Reviewed annually to ensure continued appropriateness.
 - 6.4.2. Disclosed in RPKL's annual report, along with the rationale for granting the exception.
 - 6.4.3. Subject to revocation if the Board determines that the additional directorship(s) are interfering with the Director's duties to RPKL.
- 6.5. RPKL shall maintain a register of all exceptions granted, including the date of approval, duration, and conditions attached to the exception.
- 7. **Policy Review**
 - 7.1. The Board shall review this policy at least once every two years to ensure its continued relevance and effectiveness.
- 8. **Effective Date**
 - 8.1. This policy shall come into effect upon approval by the Board of Directors.

Approved by the Board of Directors on: **24th April 2025**

End

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



DATED 24TH APRIL 2024