
Nomination and Remuneration Committee

Terms of Reference

Car & General (Kenya) Ltd

Table of Contents

1	PREAMBLE	2
2	PURPOSE OF THE TERMS OF REFERENCE.....	2
3	COMPOSITION.....	2
4	ROLE	3
5	RESPONSIBILITIES.....	3
6	AUTHORITY.....	4
7	MEETING PROCEDURES.....	4
8	EVALUATION	5
9	REMUNERATION	5
10	REVIEW OF TERMS OF REFERENCE.....	6

1 PREAMBLE

The Board of Directors (the “Board”) of Car & General (Kenya) Limited (the “Company”) acknowledges the need for a nomination and remuneration committee (the “Committee) to help it discharge its mandate as recommended in the Company Act No. 17 of 2015 (“The Act”), and other prescribed or recommended legal and governance codes and provisions.

This Committee Terms of Reference is subject to the provisions of the Act and its Regulations, the Company's Memorandum of Incorporation (“MOI”), other relevant laws, regulatory and supervisory prescripts, and applicable corporate governance principles, codes and best practices.

The objectives of the Committee do not reduce the individual and collective responsibilities of board members in regard to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgement in accordance with their statutory obligations.

2 PURPOSE OF THE TERMS OF REFERENCE

The purpose of the TOR is to set out the Committee’s role and responsibilities as well as the requirements for its composition and meeting procedures.

3 COMPOSITION

Members of this Committee and its chairperson are appointed by the Board. Members will be appointed for a 2 year term of office which may be renewed by the Board. The Committee will comprise of such number of members that the Board may decide, of which the majority will be non-executive directors.

The majority of members will be independent of management but members of management can also serve as members of the Committee if so appointed by the Board. The board of the Company will nominate a non-executive director from the members appointed by the Board as the chairperson of the Committee.

Each member of the Committee must be suitably skilled and experienced, and collectively, must have the qualifications and knowledge to allow them to fulfil their duties.

4 **ROLE**

The Committee has an independent role to oversee and make recommendations to the board for its consideration and final approval. The Committee does not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management.

The role of the Committee is to assist the Board with the following:

- a. Review and recommend the Company' remuneration policy and other employee benefits to ensure it is competitive and appropriate to attract and retain the skills required to fulfil the Company' vision and purpose and aligns with global best practises.
- b. Review and recommend amendments to conditions of employment that have a significant financial implication for the Company.
- c. Review management's recommendation for annual total cost to company remuneration increases and ensure that it aligns with the budget.
- d. Review and recommend the appointments of employees into the executive management job levels reporting to the CEO and review and make recommendations to the board on succession planning.
- e. Receive and review a report annually from management on human resources risks and issues with specific focus on executive management qualities, skills, development needs, progress on succession plans etc., and management's response thereto.
- f. Review and recommend the Company' performance bonus criteria and annual performance evaluation and make recommendations to the Board. The responsibility for informing the HR committee in this regard is vested with the CEO.
- g. Implement and review the Company's Employee Share Option Scheme.
- h. The Committee will maintain effective working relationships with the Board of directors, management and employees.
- i. Identify and recommend potential members of the Board to the Board as and when the need arises.

5 **RESPONSIBILITIES**

In meeting its responsibilities and fulfilling its role, the Committee will be guided by the Company' s vision statement, purpose and business concept and perform all the functions necessary to fulfil its role as stated above, inclusive of the following:

- h. Review the leadership development and training initiatives of executive management and ensure that any development needs are addressed. Due consideration must be given to the

Company's aspirations to grow talent in country that could be developed to take on greater responsibility throughout the Group.

- i. Review the succession planning policy and strategy for top management.
- j. Review the Company' HR policies and practices.
- k. Review management's performance against pre-set objectives and compliance with human resources policies and practices.
- l. Regularly update the Board about the Committee's activities and make appropriate recommendations.
- m. In meeting its responsibilities and fulfilling its role, the Committee will also be guided by the Company' vision statement and business concept.

6 AUTHORITY

In order to meet its responsibilities and fulfil its role, the Committee:

- n. Acts in terms of the delegated authority of the Board as recorded in these TOR.
- o. Has the power to investigate any activity within the scope of its TOR.
- p. May call upon the chairperson of the other board committees, any of the executive directors, officers or Company Secretary to provide it with information, subject to following a board approved process.
- q. Has reasonable access to the Company' records, facilities and any other resources necessary to discharge its duties and responsibilities.
- r. May delegate authority to one or more designated members of the Committee.
- s. Has the right to obtain independent outside professional advice to assist with the execution of its duties, at Company cost, subject to following a board approved process.
- t. Makes recommendations to the board that it deems appropriate on any area within the ambit of its TOR where action or improvement is required.

7 MEETING PROCEDURES

7.1 FREQUENCY

- a. The Committee will meet on an ad hoc basis but will meet a minimum of once per annum.
- b. The chairperson of the Committee may meet with the CEO, the Head Human Resource/ or the Company Secretary prior to a Committee meeting to discuss important issues and agree on the agenda.

7.2 ATTENDANCE

- a. The CEO, Head Human Resources Kenya, and other members of the management as may be required and professional advisors may be in attendance at Committee meetings, but by invitation only and they may not vote.
- b. Committee members must attend all meetings of the Committee unless prior apology, with reasons, has been submitted to the Chairperson or Company Secretary.
- c. The Company Secretary or his/her delegate is the secretary to this Committee.

7.3 AGENDA AND MINUTES

- a. The Committee must establish an annual work plan for each year to ensure that all relevant matters are covered by the agendas of the meetings planned for the year.
- b. A detailed agenda, together with supporting documentation, must be circulated, at least not less than one (1) week prior to the meeting, to the members of the Committee and other invitees.
- c. The minutes will be circulated to the chairperson and members of the Committee for review. The minutes must be formally approved by the Committee at its next scheduled meeting.

7.4 QUORUM AND VOTING

- a. A quorum is 50% of the members of the committee.
- b. Individuals in attendance at Committee meetings by invitation may participate in discussions but do not form part of the quorum for Committee meetings.

8 EVALUATION

The Board, and each member of the committee, will perform an evaluation of the effectiveness of the Committee annually.

9 REMUNERATION

The remuneration of the directors and committee members will be set and approved by the shareholders at the AGM.

10 REVIEW OF TERMS OF REFERENCE

The committee will review the committee's terms of reference periodically, discuss any required changes with the board and ensure any required changes with the board and ensure any revisions to the terms of reference are approved by the full board.

Approved by resolution of the Board on the date indicated below:

SIGNED FOR CAR & GENERAL (KENYA) LIMITED

.....

Board Chairperson

Date: