

Stanbic Group Kenya

Nominations Committee Mandate

1. Constitution

- 1.1 The Committee is constituted as a committee of the Boards of Stanbic Holdings Plc('SHL'), Stanbic Bank Kenya Limited (the Bank), in accordance with paragraph 1.4.7 of the CBK Prudential Guidelines, , SBG Securities Limited (SBGS) and Stanbic Insurance Agency Limited (SIAL) (the Group) and operates under delegated authority from the individual Boards.
- 1.2 This mandate is subject to the provisions of the Companies Act, the Banking Act, the CBK Prudential Guidelines, the CMA Corporate Governance Guidelines, the Articles of Association of the individual companies; and any other applicable laws or regulatory provisions.

2. Purpose

- 2.1 The Nominations Committee (the Committee) has been established to assist the Boards in discharging their obligations by:
- 2.1.1 determining and evaluating the adequacy, efficiency and appropriateness of the corporate governance structure and practices of the Group;
 - 2.1.2 establishing and maintaining a board directorship continuity programme;
 - 2.1.3 nominating successors to key positions in the Group, in consultation with Standard Bank South Africa, as part of ensuring that a management succession plan is in place;
 - 2.1.4 determining whether the services of any director should be terminated;
 - 2.1.5 recommending the continuation (or not) in the service of any director who has reached the retirement age in the relevant Company's Articles of Association;
 - 2.1.6 ensuring that the Group is at all times in compliance with all applicable laws, regulations and codes of conduct and practices;

- 2.1.7 performing such further functions, as may be prescribed by Regulation, from time to time;
- 2.1.8 ensuring that the Board composition and structure enable each of the Boards to fulfil the obligations of the Board mandates and comply with applicable laws, regulations and policies; and
- 2.1.9 Identifying, nominating and recommending candidates for the approval of the Board, to fill board vacancies as and when they arise.

3. Composition

- 3.1 The members of the Committee shall consist of majority independent non-executive directors of the board.
- 3.2 The Chairman of the Committee, shall be an independent non-executive director.
- 3.3 If necessary specialists may be co-opted by the Committee as approved by the Board.
- 3.4 The secretary will be the Group Company Secretary.
- 3.5 The Committee may require the attendance of any employee of the Group at its meetings as an invitee.
- 3.6 The Chief Executive of the individual Boards may attend meetings of the Nominations Committee as invitees.
- 3.7. The Chief Executive of the Bank Board will be a permanent invitee to attend meetings of the Nominations Committee.

Remuneration

- 3.8 The remuneration of the chairman and committee members will be approved by the [[SHL Board] or Boards] for ultimate shareholder approval.

3.9. Term:

- 3.9.1 The Board of Stanbic Holdings Plc will appoint the members and chairman of the Committee.
- 3.9.2 The Board of Stanbic Holdings Plc shall have the power at all times to remove any members from the Committee and to fill any vacancies created by such removal.

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4. Reporting Responsibilities

- 4.1 The Committee shall report to the Boards on its activities and deliberations through its chairman.
- 4.2 Minutes of all meetings of the Committee will be submitted to the Boards.
- 4.3 The Committee shall ensure that the governance statement in the annual reports, where applicable, reflects its terms of reference and activities, the membership of the Committee, number of meetings and attendance at meetings.
- 4.4 The Committee shall express an opinion annually to the Boards about the adequacy and effectiveness of its own performance.

5. Authority

- 5.1 The Committee may form and delegate authority to sub-committees or to one or more designated individuals, within clearly defined limits.
- 5.2 The Committee shall have authority to:
 - 5.2.1 access any information, or call upon any other Board committee, or any employee to provide it with information and investigate matters within its mandate;
 - 5.2.2 seek independent advice to assist the Committee with the execution of its duties at the Group's expense subject to an approved process;
 - 5.2.3 consult with, and receive the full co-operation of, any employee where necessary to fulfil its responsibilities.
 - 5.2.4 access any other reasonable resources it requires to fulfil its mandate.

6. Committee Operation

- 6.1 If the nominated chairman of the Committee is absent from a meeting the members must elect one of the members present to act as chairman.

- 6.2 The quorum will be 2 members.
- 6.3 At least two scheduled meetings must be held annually.
- 6.4 Informal or ad hoc meetings will be convened as and when required by the Group Company Secretary.
- 6.5 Papers for consideration by the Committee will be submitted, in the normal course, at least one week before the meeting to enable members to study the documentation and allow adequate opportunity for formal and informal discussions.
- 6.6 Minutes of the meetings shall record the proceedings, decisions made and declarations of personal interests provided, together with how these were dealt.
- 6.7 The Committee shall annually review the structure, size and composition of the Boards, including Board Committees and make recommendations to the Boards regarding any changes required.
- 6.8 The Committee will annually review its mandate.
- 6.9 The Committee will perform an annual self-assessment of its performance.
- 6.10 Round robin approvals may be obtained but only where there is a business requirement for a decision which cannot be held over until the next scheduled Committee meeting. Decisions must be received from at least a majority of members being not less than the quorum requirement. Round robin approvals may be done by electronic means and will be of full force and effect as if passed by a majority of members personally present. If there are any votes against the resolution, an urgent meeting will be called at the discretion of the chairman of the Committee.
- 6.11 Decisions will be based on consensus. In the event that there is no consensus, the chairman of the committee may refer the matter to the Board for a decision.
- 6.12 New members of the Committee will be required to undergo an induction programme and ongoing training will be provided to members.
- 6.13 It is the responsibility of the members to ensure that the information discussed at the meeting or included in the meeting packs remains confidential.

7. Terms of reference

The Boards of the Group delegate the following duties and responsibilities to the Nominations Committee:

7.1 Director nominations

The Committee shall:

- 7.1.1 Set criteria in line with statutory requirements and governance best practice for the nomination of directors and committee members of the Group boards and ensure that the Boards are kept apprised of management succession plans. This would also include developing appropriate succession plans for the Board members and the key executives.
- 7.1.2 Identify, evaluate (including background and reference checking) and recommend nominees to the Board of directors and Board committees.
- 7.1.3 Review and evaluate candidates for the chief executive (in conjunction with Standard Bank Group Head Office) and other executive director appointments and make recommendations to the Board for approval.
- 7.1.4 Ensure that all Board directors receive a formal letter of appointment setting out their roles and responsibilities, time commitment required to serve on the committee and outside Board meetings.
- 7.1.5 Annually review the structure, size and composition of the Boards, taking into account the requirements of Board committees to ensure size, demographics and diversity make them effective, and make recommendations to the Boards regarding any changes required.
- 7.1.6 Establish and maintain a Board directorship continuity programme which includes:
 - a review of the performance of and planning for successors of the executive directors;
 - measures to ensure the continuity of non-executive directors;
 - regular review of composition of skills and experience and other qualities required for the effectiveness of the boards; and
 - an annual self-assessment of the performance of the Boards as a whole and of the contribution of each individual director.
- 7.1.7 Review and make recommendations on the re-election of directors retiring by rotation, and the continuation of service of a director who has reached

retirement age. Where a director has served a 9-year period and is eligible for re-election, the director will cease to be an independent non-executive director.

- 7.1.8 Ensure that directors receive regular briefings on changes in risks, laws and the environment in which the Group operates.
- 7.1.9 Facilitate the process of appointment of directors outlined as follows:
- The Nominations Committee evaluates the skills and diversity gap in the Board composition
 - The Committee identifies suitable candidates, with the assistance from the full Board as needed
 - The Committee meets to assess the suitability of candidates proposed and if a suitable candidate is found, the Committee makes a recommendation to the Board for consideration of the candidate for appointment.
 - The Board in evaluating a recommended candidate for appointment considers, among other things, the candidate's integrity, independence, experience, diversity, leadership qualities and their ability to exercise sound and independent judgment.
 - The appointment of a candidate to the Board will be subject to all required regulatory approval.
 - Once all regulatory approvals are received, a public notice, approved by the Capital Markets Authority, is published in two newspapers of national circulation, within 24 hours of the appointment becoming effective for all entities within the Group which have issued securities to the public.
 - Director appointments to the Boards of SHL, Bank and SIAL will be considered temporary until the next AGM where the director will be elected by shareholders as recommended by the individual Boards.
 - All new board and committee appointees should receive a formal letter of appointment setting out expectations, applicable fees, terms and conditions of their appointment including confidentiality and dispute resolution clauses.
- 7.1.10 The Nominations Committee may contract a consultant in identifying potential candidates for consideration and recommendation to the Board for appointment

7.2 Corporate governance best practice and statutory compliance:

The Committee shall:

- 7.2.1 Determine and evaluate the adequacy, efficiency and appropriateness of the Group's corporate governance structure, practices and processes in line with regulatory requirements.

- 7.2.2 Ensure that an appropriate induction course is in place for all new directors, including a mentorship programme to ensure less experienced directors are appropriately developed.
- 7.2.3 Ensure that there is ongoing development and exposure for directors to enable them to remain up-to-date on relevant business and statutory developments.
- 7.2.4 Endorse a corporate governance framework for agreement and adoption by the Group boards which shall set out the basic and minimum governance standards to be adopted by the Group.
- 7.2.5 Assist the boards in designing methodologies for use in assessment of the effectiveness of the boards, committees and individual director performance.
- 7.2.6 Ensure that appropriate Board and Committee structures are in place.
- 7.2.7 Review and endorse the Committee Mandate and submit to the Board for approval.
- 7.2.8 If required to do so by the Board, provide a forum for non-executive directors to meet without the presence of executives.
- 7.2.9 Assess the extent of compliance with relevant legislation and codes, where such assessment is not performed by the Boards or committees of the Boards.
- 7.2.10 Assist the Boards in determining whether the appointment of any director should be terminated.
- 7.2.11 Address any other corporate governance and succession issues that are not dealt with by the Boards or Board committees.

7.3 Group Company Secretary

- 7.3.1 The Group Company Secretary shall assist the Committee with:
 - appointment of directors;
 - induction and ongoing education programmes;
 - maintaining board and committee mandates; and
 - Board and committee evaluations.

7.4 Board Remuneration

The Committee shall

- 7.4.1 Review and endorse the Group Remuneration Policy for submission to the Boards for approval.
- 7.4.2 Review and endorse the remuneration fees for the non-executive directors on the Boards on an annual basis for submission to the Boards for approval.
- 7.4.3 Review and endorse the Board Remuneration Report for SHL for inclusion in the Annual Report for Board approval.

8. Limitations

- 8.1 The Committee is responsible to the Group Boards. It provides an advisory service and has no executive authority.
- 8.2 Amendments may be made to the mandate as required subject to approval by the Boards.

Revised and approved by the full Board on 21 February 2018

Revised and approved by the full Board on 28 February 2019

Revised and approved by the full Board of SHL on 27 February 2020

Signed by:

Chairman of the Board.....

Company Secretary.....