

## Functions of the Board Audit, Risk and Compliance Committee

To fulfill its oversight responsibility, the Board Audit, Risk and Compliance Committee receives reports from management, the internal auditors and external auditors, as appropriate.

The responsibilities and role of the Board Audit, Risk and Compliance Committee includes:

- Monitoring the integrity of the financial statements, including the review of significant financial reporting judgements
- Providing advice to the Board on whether the Annual Report is fair, balanced and understandable and the appropriateness of the long-term viability statement
- Reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the external audit
- Reviewing the system of internal financial control and compliance
- Monitoring the activities and reviewing the effectiveness of the Internal Audit function
- Monitoring the Company's risk management system, reviewing of the principal risks and the management of those risks

A summary of the attendance at meetings of the members of the Audit, Risk and Compliance Committee is shown below:

### Attendance of the Audit, Risk and Compliance Committee meetings for 2020/21

	Esther Koimett	Shameel Joosub	Till Streichert	Bitange Ndemo	Rose Ogega	Sitholizwe Mdlatse
28 April 2020	✓	✓	✓	✓	✓	✓
15 July 2020 (Risk)	✓	(a)	-	✓	✓	-
28 July 2020 (Audit)	✓	(a)	-	✓	✓	-
21 October 2020 (Risk)	-	✓	-	✓	✓	✓
28 October 2020 (Audit)	-	✓	-	✓	✓	✓
21 January 2021 (Special meeting)	-	(a)	-	✓	✓	✓
3 February 2021 (Risk)	-	-	-	✓	✓	✓
9 February 2021 (Audit)	-	-	-	✓	✓	✓

(a) apologies

## Key Board Audit, Risk and Compliance Committee activities

During the financial year, the committee substantively discussed the following matters:-

- The impact of COVID-19 on the business
- Reviewed the half-year results and audited accounts and related reports
- Reviewed the dividend recommendation
- Reviewed the external auditors' management letter
- Discussed the External Audit Service Plan for the year ending 31 March 2021
- Reviewed the Internal Audit plan for the year ending 31 March 2021
- Reviewed the Internal Audit Reports in every quarter
- Reviewed the Terms of Reference and the Internal Audit Charter of the Committee
- Discussed in detail the business risk updates including changes in the heat map, cybersecurity management updates, AML/CFT program updates and business ethics and compliance reports
- Significant litigations cases and liability thereof
- Quarterly-camera sessions were held with the external and internal auditors

## Financial and business reporting

The Board is satisfied that it has met its obligation to present a balanced and understandable assessment of the Company's position throughout the Annual Report. It is appropriate to treat this business as a going concern as there is sufficient existing financing available to meet expected requirements in the foreseeable future.

## Risk management and internal control

The Board is responsible for maintaining sound risk management and internal control systems and determining the nature and extent of the risks that the Company is willing to take to achieve its strategic objectives. With the support of the Audit, Risk and Compliance Committee, the Board carries out a regular review of the effectiveness of its risk management framework and internal control systems, covering all material controls including financial, operational and compliance controls.

Risk registers, based on a standardised methodology, are used to identify, assess and monitor the key risks (both financial and non-financial) faced by the business. Information on prevailing trends, for example, whether a risk is increasing or decreasing over time, is provided in relation to each risk and all identified risks are assessed at five levels (extremely serious/very serious/serious/minor/not significant) by reference to their impact and likelihood. Mitigation plans are put in place to manage the risks identified and the risk registers are reviewed on a regular basis.

The Board, with advice from its Audit, Risk and Compliance Committee, has completed its annual review of the effectiveness of the risk management framework and internal controls for the year under review. No significant

failings or weaknesses were identified, and the Board is satisfied that, where specific areas for improvement have been identified, processes are in place to ensure that the necessary remedial action is taken and that progress is monitored.

### External Auditor

Messrs Ernst & Young are the Company’s external auditor. They were appointed by the shareholders on 31 July 2020, in place of Messrs PricewaterhouseCoopers who retired by rotation.

The Audit, Risk and Compliance Committee considers that its relationship with the auditor worked well during the period and was satisfied with their effectiveness. The external auditor is required to rotate the audit partner responsible for the Company’s audit at least every five years. The current lead audit partner has been in position since 31 July 2020.

### Nominations and Remuneration Committee

The Nominations and Remuneration Committee consists of five (5) Non-Executive Directors and reports to the Board after every committee meeting. The current acting Chairperson is a Non-Executive Director; the Board has however appointed a substantive Chairperson who is an Independent Non-Executive Director and who will take on the role in November 2021.

#### Current members

Linda Muriuki	Acting Chairperson
Michael Joseph	
Francesco Bianco	
Winnie Ouko	
Christopher Kirigua	
Kathryne Maundu	Secretary of the Committee

#### Permanent invitees:

Peter Ndegwa	Chief Executive Officer
Paul Kasimu	Chief Human Resources Officer

### Membership and functions of the Nominations and Remuneration Committee

The Nominations and Remuneration Committee is established by the Board of Directors and comprises five Non-Executive Directors and meets at least four times a year. The purpose of the committee is to assist the Board in:

- Reviewing the balance and effectiveness of the Board and remuneration of Directors and senior management as well as the succession planning at Board and senior leadership levels
- Monitoring the size and composition of the Board and its succession plans
- Recommending individuals for nominations as members of the Board and its committees

- Reviewing executive appointments, succession and development plans and proposing the remuneration structures of executive and non-executive members of the Board

A summary of the Nominations and Remuneration Committee meeting members attendance is shown below:

#### Attendance of the Nominations and Remuneration Committee meetings for 2020/21

	Nicholas Nganga	Michael Joseph	Esther Koimeit	Linda Muriuki	Francesco Bianco
27 April 2020	✓	✓	✓	✓	✓
28 July 2020	✓	✓	✓	✓	✓
28 October 2020	–	✓	–	✓	✓
9 February 2021	–	✓	–	✓	✓

#### Key discussions by the Nominations and Remuneration Committee

During the financial year, the committee substantively discussed the following matters:

- COVID-19 crisis management and implementation of the Business Continuity Plan
- Discussed the review and implementation of the overall organisational structure
- Discussed the succession plan for the senior leadership team in order to maintain the necessary balance of skills, knowledge and experience to remain effective
- Reviewed the results of the annual employee opinion survey
- Nomination and subsequent appointment of a third independent Director
- Reviewed the Non-Executive Directors’ remuneration
- Employee compensation and bonus review for the year 2020/21
- Share grants proposal for the year 2020/21
- Reviewed the terms of reference of the committee
- Discussed and made recommendations to the Board on various changes to the Board’s composition
- Received and discussed the Board evaluation report
- Reviewed and made recommendations to the Board on the composition of the Board committees
- Evaluated the independence of the independent Directors
- Discussed various HR thematic areas including: culture, organisation effectiveness, talent and diversity