



BOARD DIVERSITY POLICY

Issued on 16 February 2023

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1) Purpose

This Diversity Policy ('the Policy') sets out the approach to diversity on the Board of Directors ('the Board') of the British American Tobacco Kenya plc ('BAT Kenya').

2) Scope of Application

The Policy applies to the Board. It does not apply to diversity in relation to employees of the BAT Kenya and its affiliates.

3) Policy Statement

BAT Kenya recognises and embraces the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage and also being consistent with the Kenya Constitution. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender, age, and other distinctions between Directors.

The Board is of the view that a diverse Board with a range of views, insights, perspectives and opinions will improve its decision-making and be of benefit to BAT Kenya's shareholders and other stakeholders.

These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately.

4) Roles and Responsibilities

All Board appointments are made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective. The Board Nominations and Governance Committee ('the Committee') reviews and assesses the Board composition on behalf of the Board and recommends the appointment of new Directors. The Committee also oversees the conduct of the annual review of Board effectiveness in line with set parameters.

- a) In reviewing the Board composition, the Committee will consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to enable it to discharge its duties and responsibilities effectively.
- b) In identifying suitable candidates for appointment to the Board, the Committee will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.
- c) As part of the annual performance evaluation on the effectiveness of the Board, Board Committees and individual Directors, the Committee will consider the balance of skills, experience, independence and knowledge of BAT Kenya on the Board and the diversity representation of the Board, including gender, how the Board works together as a unit, and other factors relevant to its effectiveness.

5) Minimum requirements to comply with this Policy

Board succession planning must promote diversity in accordance with this policy, in compliance with the CMA Corporate Governance Code and must specifically consider the promotion of gender, age, skills, ethnic and race diversity.

6) Monitoring and Reporting

The Committee is responsible for ensuring that the Board has the right balance of skills, experience and knowledge and, in accordance with its terms of reference, shall:

- a) regularly review Board composition, succession planning, talent development and the broader aspects of diversity;
- b) will report annually to the Board, on the progress it has made on the implementation of this Policy as part of the content in the Corporate Governance section of the Annual Report.

7) Review of the Policy

The Committee will review the Policy annually, which will include an assessment of the effectiveness of the Policy. The Committee will discuss any revisions that may be required and recommend any such revisions to the Board for approval.

8) Related policies and procedures

- a) Capital Markets Authority Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015
- b) Board Appointment Policy
- c) Any other relevant policy from time to time

Policy Approval

This policy was reviewed and approved by the Nominations and Governance Committee on 31 January 2023.

This Policy was approved and adopted by the Board on 16 February 2023.