

POLICY ON APPOINTMENTS TO THE BOARD

1. INTRODUCTION

The CMA Code of Corporate Governance Practices for Issuers of Securities to the Public 2015 (the Code) requires the Board to publish procedures for nominations and appointment of new Board members.

2. PURPOSE OF THE POLICY

The purpose of this policy is to provide the principles, criteria and procedures for the appointment to the board of directors (“the Board”) of British American Tobacco Kenya plc (“the Company”) and matters connected therewith.

3. POLICY STATEMENT

In line with the Code the Board shall be constituted of suitable individuals reflecting diversity in terms of skills, experience, gender and demographics and shall be unitary with executive and non-executive directors in order to execute its mandate to effectively control and manage the affairs of the Company.

4. PRINCIPLES/CRITERIA TO BE OBSERVED

Candidates for appointment to the board shall:

- 4.1 Have a reputation for integrity, honesty and service and adherence to high ethical standards;
- 4.2 Demonstrate business acumen, experience and ability to exercise sound judgement in matters that relate to the current and long-term objectives of the Company and should be willing and able to contribute positively to the decision-making process of the Company;
- 4.3 Have a commitment to understand the Company and its industry and to regularly attend and participate in meetings of the Board and its Committees;
- 4.4 Be able to engage meaningfully in Board deliberations and challenge when they have a serious concern;
- 4.5 Not have conflicts of interest that would impair their ability to represent the interests of all the Company’s shareholders and to fulfil the responsibilities of a director;
- 4.6 Shall not be discriminated against on the basis of race, religion, national origin, sex, age, disability or any other basis prescribed by law. The value of diversity on the Board should be considered;

- 4.7 Shall not be disqualified to act as a director, the candidate shall therefore not fall into any of the following categories:
- 4.7.1 Be a body corporate or juristic person
 - 4.7.2 Not be an emancipated minor or under a similar legal disability or curatorship
 - 4.7.3 Not be a person removed from an office of trust on grounds of misconduct
 - 4.7.4 Not be a person convicted of fraud, theft, forgery, perjury or other offence involving dishonesty

5. PROCEDURE

- 5.1 The Board shall delegate its authority to the Nominations Committee (“Committee”) to periodically assess the skills required to competently discharge the Boards’ duties, having regard to the strategic direction of the Company;
- 5.2 The current skills and competencies for the Board are as follows:
- Tobacco Industry Knowledge
 - FMCG Experience
 - Large Corporate Experience
 - Listed Company Board Experience
 - Governance Leadership/Corporate Management
 - Trade Block Experience
 - Audit/Finance
 - Risk Management
 - Regulation/Public Policy
 - Legal
 - Marketing/Sales
 - People/Organizational Development/Remuneration
 - Manufacturing Industry experience
- 5.3 The assessment in 5.1 shall also be done for the purposes of filling in casual vacancies on the Board;
- 5.4 A report on the outcome of that assessment shall be provided to the rest of the Board;
- 5.5 All Board members are required to assist with the identification and nomination of potential candidates;
- 5.6 The Committee shall, as and when it considers appropriate, but in any event on each occasion on which an existing director retires, assess the skills represented on the Board by the remaining non-executive directors and determine whether they meet the required skills identified, and if not determine how to rectify the situation;

- 5.7 The Committee, having regard to the skills required and the skills represented shall implement a process for the identification of suitable candidates for appointment to the Board of directors;
- 5.8 In determining the process for the identification of suitable candidates, the Committee may procure an appropriately qualified independent third party acting on a brief prepared by the Committee, which identifies the skills sought, undertakes a search;
- 5.9 The Committee
 - 5.9.1 screens the candidates;
 - 5.9.2 will ensure that the proper checks on the candidates to ensure that the candidates are not disqualified from acting as directors;
 - 5.9.3 will ensure that the candidates' backgrounds have been investigated in compliance with the Listing Requirements of the Capital Markets Authority.
 - 5.9.4 will make recommendations on appointments to the Board having due regard to the issues of diversity and the appropriate balance of executive, non-executive and independent directors as prescribed by the Board's Diversity Policy;
 - 5.9.5 must ensure that the candidate is free of any conflict of interest between duties that he/she will owe to the Company and his/her private interest;
 - 5.9.6 shall categorise the capacity of directors as executive, non-executive and independent;
 - 5.9.7 shall ensure that the candidate who will be appointed as an independent director passes all the independence tests as set out in the Code;
 - 5.9.8 will ensure that only candidates who have, in the judgement of the Chairman of the Board sufficient time to effectively fulfil the role of a Board member will be appointed as non-executive directors to the Board; and
 - 5.9.9 will make recommendations to the Chairman of the Board on candidates it considers appropriate with a report confirming the above.
- 5.10 Once the Committee has considered candidate proposals, interviews by the Chairman and members of the Committee shall be arranged.
- 5.11 Once the process is complete, the Committee shall recommend a candidate, whose details and resume shall be circulated to the Board for approval.
- 5.12 Once a candidate is appointed, a formal procedure is activated by the Company Secretary who ensures that:

- 5.12.1 prior notification is made to the CMA and NSE as per Listing requirements and that an announcement is made in the daily newspapers;
- 5.12.2 that appropriate returns are filed with the Companies Registry
- 5.12.3 that the new director resigns and subjects him/herself to re-election at the next Annual General Meeting following the appointment in accordance with the Articles of Association.
- 5.12.4 a robust induction programme commences for the new director.

6. REVIEW

This policy shall be reviewed annually by the Committee who shall recommend any proposed changes to the Board for approval.

This Policy was Approved and Adopted by the Board on 27 April 2018.