

BRITISH AMERICAN TOBACCO KENYA plc

NOMINATION COMMITTEE

TERMS OF REFERENCE

A. CONSTITUTION

The Nomination Committee was formally constituted by Ordinary Resolution passed by the Board of British American Tobacco Kenya Ltd (BATK) on Friday 8th November 2002.

B. PURPOSE

The role of the Nomination Committee is to recommend suitable candidates for appointment to the BATK Board and its Committees ensuring that all have an appropriate balance of expertise and ability. In addition, it is responsible for reviewing the succession plans for members of the Board and evaluating the effectiveness of the Board and the effectiveness of the Directors in the discharge of their responsibilities.

C. MEMBERSHIP AND PROCEDURES

The Nominations Committee is appointed by the Board and comprises at least three members, a majority of whom shall be Independent Non-Executive Directors, and shall include the Chairman.

The quorum is any two members of the Committee including the Chairman or in his absence the designated Emergency Alternate.

The Chairman will chair the Nominations Committee and in his absence the designated Emergency Alternate to chair the meeting. The Emergency Alternate will chair the Nominations Committee when it is considering a successor to the Chairman.

The Managing Director will regularly attend meetings of the Nominations Committee as a permanent invitee. Other relevant senior management may attend by invitation.

No one other than the Nominations Committee Chairman and members will be entitled as of right to vote at a meeting of the Nominations Committee.

The Company Secretary or his or her nominee will act as the Secretary of the Nominations Committee.

The Nominations Committee normally meets two times a year and at such other times as the Committee Chairman or any member of the Committee may request. The agenda for the meetings will be determined by the Chairman of the Nominations Committee, taking into account the views of other members of the Committee as appropriate. The agenda and supporting papers, unless otherwise agreed, shall be circulated to each member of the Committee and invitee(s) no fewer than four working days prior to the date of the meeting.

Unless varied by these terms of reference, meetings and proceedings of the Nominations Committee will be governed by the Company's Articles of Association.

D. AUTHORITY

The Nominations Committee is authorised by the Board to seek any information it requires from, and require the attendance at any of its meetings of, any Director or member of Management, and all employees are expected to cooperate with any request made by the Committee.

The Committee is authorised by the Board to obtain, at the Company's expense, outside legal or other independent professional advice and counsel including independent consultants and to secure the attendance of advisors with relevant experience and expertise if it considers this necessary.

E. RESPONSIBILITIES AND OBJECTIVES

1. Board Composition

The Committee shall:

- (i) regularly review the structure, size and composition of the Board and make recommendations to the Board to ensure that it has an appropriate balance of skills, expertise, knowledge and independence, in line with the Board Diversity Policy and with a view to ensuring the continued ability of the Company to compete effectively in the market place;
- (ii) on an annual basis review the required skills mix and expertise that the Executive and Non-Executive Directors bring to the Board and ensure that disclosure of the same is made in the Company's Annual Report; and
- (iii) make such recommendations to the Board with regard to the composition of the Board as it may consider necessary.

2. Board Appointments

The Committee will:

- (i) prepare a description of the role and capabilities required for a particular appointment and regularly review the profiles of the required skills and attributes for membership of the Board;
- (ii) be responsible for identifying and nominating candidates, for the approval of the Board, to fill vacancies on the Board, ensuring that such candidates are persons of calibre with the necessary skills and expertise to exercise independent judgement on issues that are necessary to promote the Company's overall interests; and
- (iii) ensure that all appointments are made on merit against objective criteria and with due regard for the benefits of diversity, including gender diversity.

3. **Succession Planning**

The Committee will satisfy itself that processes and plans are in place for orderly succession for appointments to Board, so as to maintain an appropriate balance of skills and experience and to ensure the progressive refreshing of the Board.

The Committee will endeavour to ensure that the term of office of members of the Board is organised in such a way as to end at different times to secure retention of institutional memory and to aid the process of inducting new Board members.

4. **Evaluation of Board and Director Effectiveness**

The Committee will:

- (i) conduct a critical evaluation of the activities of the Board on an annual basis;
- (ii) discuss the results of the review of the Board and its Committees and present such with recommendations to the Board;
- (iii) ensure the results of the review of individual performance by each Director (excluding the Chairman) are discussed by the Chairman with each Director individually; and
- (iv) ensure the results of the Chairman, Managing Director and Company Secretary's performance are discussed by the Nominations Committee and feedback is given to them by the Committee members.

5. **Commitment**

The Committee will:

- (i) assess and articulate the time needed to fulfil the role of Chairman, and Non-Executive Director and ensure that Letters of Appointment detail the role and time commitments; and
- (ii) ensure that Non-Executive Directors undertake that they will have sufficient time to fulfil their duties and that any significant new appointments outside the Company are disclosed to the Chairman and the Board (as appropriate) prior to their acceptance.

6. **Other matters**

The Committee will:

- (i) make recommendations to the Board:
 - as regards the re-appointment of any Non-Executive Director at the conclusion of their specified term of office after formally reviewing the Director's performance, conducting a particularly rigorous review in respect of service beyond six years;
 - concerning the re-election by shareholders of any Director; and

- concerning the continuation in office of any Director at any time;
 - concerning the independence of Non-Executive Directors as defined by the CMA Code of Corporate Governance Practices for Issuers of Securities to the Public 2015.
- (ii) review the section of the Annual Report describing the work of the Committee and how it has discharged its responsibilities, its members and their attendance records and the number of meetings held.
- (iii) make recommendations regarding the membership of the Boards Committees; and
- (iv) generally have regard to the CMA Code of Corporate Governance Practices for Issuers of Securities to the Public 2015 in carrying out the duties specified above.
- (v) periodically review its own performance and, at least annually, review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

George Maina
Chairman of Nominations Committee

Terms of Reference of Nominations Committee reviewed, approved and adopted by the Nominations Committee on 24 March 2016

Terms of Reference of Nominations Committee reviewed by the Nominations Committee on 23 March 2017 and the Board on 13 April 2017

Terms of Reference of Nominations Committee reviewed by the Nominations Committee on 22 March 2018 and the Board on 27 April 2018