

## **BAMBURI CEMENT LIMITED**

### **NOMINATION, REMUNERATION AND HUMAN RESOURCES COMMITTEE CHARTER**

#### **1. PURPOSE**

The Nomination, Remuneration and Human Resources Committee (the “Committee”) is established by the Board of Directors of Bamburi Cement Limited.

The Charter incorporates the principles and recommendations set out in Chapter 2 of the Capital Markets Authority Code of Governance Practices for Issuers of Securities to the Public, 2015 (the ‘Code’).

#### **2. MEMBERSHIP**

- 2.1. Members and Chairperson of the Committee shall be appointed by the Board.
- 2.2. The Committee shall be made up of at least 3 non-executive directors and the Chairperson of the Committee shall be an independent director.
- 2.3. The quorum for a meeting shall be two, one of whom shall be an independent director.
- 2.4. The Chairperson of the Board shall not attend Committee meetings dealing with matters concerning the Chairperson personally or succession to the Chairpersonship.
- 2.5. The Company Secretary shall be the secretary of the Committee.

#### **3. MEETINGS**

- 3.1. The Committee shall meet at least twice a year and at such other times as the Chairperson or any member of the Committee may require.
- 3.2. Meetings of the Committee shall be convened by the Secretary of the Committee at the request of its Chairperson or as required by the Board of Directors.
- 3.3. The agenda shall be determined by the Chairperson, and copies of all committee papers sent to all members of the Committee and other attendees as appropriate, no later than five (5) working days before the meeting.
- 3.4. The Committee may invite any person it deems appropriate to attend its meetings.
- 3.5. The Chief Executive and the HR & Organization Director will normally be invited to attend meetings as a resource to the Committee.

- 3.6. The Secretary shall minute the proceedings and resolutions of all Committee meetings.

#### 4. **AUTHORITY**

The Committee is authorized by the Board to:

- 4.1. Investigate any activity within its terms of reference as contained in this Charter;
- 4.2. Seek any information it requires from employees of the Company or request the attendance of any member of Management, in order to perform its duties;
- 4.3. Engage advisers or otherwise obtain independent legal or other professional advice, as it requires, at the expense of the Company;
- 4.4. Delegate its authority and duties to sub-committees or individual members of the Committee, as it deems fit.

#### 5. **DUTIES & RESPONSIBILITIES**

##### 5.1. **Board Composition**

- 5.1.1. To regularly review the Board structure, size and composition and make recommendations to the Board with regards to any adjustments deemed necessary;
- 5.1.2. Before an appointment is made to the Board, evaluate the balance of skills, knowledge and experience on the Board and, in light of this, prepare a description of the role and capabilities required for the particular appointment;
- 5.1.3. Put in place succession plans for the non-executive directors and the Chairperson taking into account the challenges and opportunities facing the Company and therefore the skills and expertise required on the Board;
- 5.1.4. To annually assess whether at least one third (1/3<sup>rd</sup>) of the Board is independent; and,
- 5.1.5. Annually assess the status of independence of non-executive directors as defined by the Code.

##### 5.2. **Board Appointments**

- 5.2.1. Annually review the required skills mix and expertise that all directors bring to the Board and disclose the same in the annual report;
- 5.2.2. Identify and nominate appropriate candidates to fill Board vacancies;
- 5.2.3. Make recommendations on membership of the standing committees in consultation with the Chairmen of the committees;
- 5.2.4. Make recommendations for the continuation or not in service of any director who has reached the age of seventy (70);
- 5.2.5. Make recommendations for re-election of any directors retiring by rotation;
- 5.2.6. Review and define orientation and induction plans for new directors;

- 5.2.7. Ensure that the Company Secretary, on behalf of the Board, writes to any appointee, detailing what is expected in terms of time commitment, committee service and involvement outside board meetings and proposing an induction plan approved by the Committee Chairperson; and
- 5.2.8. Make any necessary recommendations to the Board concerning the continuation in office, suspension or termination of service of any non-executive director.

### 5.3. **Remuneration**

- 5.3.1. Recommend and review all matters pertaining to fees paid to non-executive directors for Board and Committee service and for serving as Chairperson to the Board taking into consideration the responsibilities of the directors together with the fees and other forms of compensation paid by other comparable companies; and,
- 5.3.2. Establish the selection criteria and select, appoint and set the terms of reference for any remuneration consultants who advise the committee.

### 5.4. **Human Resources**

- 5.4.1. Oversee the overall human resources strategy for the Company and ensure it is designed to provide a rich supply of high calibre talent, diversity, training, development, a high performance culture and employee engagement;
- 5.4.2. Oversee the Company's compensation and benefits policies generally to ensure a level and mix of reward and recognition that will attract and retain high calibre employees and motivate high performance, while providing strong linkages between Company and individual performance, aligning shareholder and employee interests and maintaining the integrity of the Company's remuneration principles, strategies and practices;
- 5.4.3. Periodically review and recommend to the Board the remuneration policy for approval;
- 5.4.4. Oversee the talent review, professional development and succession management processes for executive directors and senior management;
- 5.4.5. Review and recommend to the Board for approval the remuneration arrangements including fixed and variable remuneration components, performance measures and targets for incentives for the executive directors and senior management;
- 5.4.6. Delegate authority to the Managing Director to approve the remuneration packages of employees outside of the executive directors and senior management within the remuneration policy and framework approved by the Committee;
- 5.4.7. Prepare the Directors Remuneration Report for inclusion in the Company's annual financial statements.

### 5.5. **Evaluation of the Board, Board Committees, Directors & Company Secretary**

The Committee shall:

- 5.5.1. Conduct an annual review of the activities and performance of the Board and Board Committees to ensure that they are operating at maximum effectiveness;
- 5.5.2. Review the findings of such evaluation, present the same to the Board and recommend any changes it considers necessary;
- 5.5.3. Oversee the evaluation of the Chair of the Board, individual Directors, Managing Director & Company Secretary and ensure that relevant feedback is given to them; and,
- 5.5.4. Review its own constitution and Charter at least every two (2) years to ensure it remains effective and recommend appropriate changes.

## 6. REPORTING RESPONSIBILITIES

- 6.1. The Chairperson of the Committee shall report formally to the Board on its proceedings after each meeting.
- 6.2. The minutes of Committee meetings shall be circulated to all members of the Board except where the Committee determines it to be inappropriate to do so for reasons of confidentiality.
- 6.3. The Chairperson of the Committee shall attend the Annual General Meeting prepared to respond to any questions that may be raised by shareholders on matters within the Committee's scope of responsibility.
- 6.4. The Committee shall disclose its activities in the Company's Annual Report.

### **Approval:**

This Charter was reviewed by the Nomination, Remuneration & Human Resources Committee on 25<sup>th</sup> August 2020 and approved by the Company's Board on 27<sup>th</sup> August 2020

The next review will be undertaken in July 2021.