



WPP SCANGROUP PLC

BOARD CHARTER

This Board Charter was adopted by the Board of Directors of WPP SCANGROUP PLC (the Company), a public company established under the laws of the Republic of Kenya on the 7th Day of August 2019.

1. PREAMBLE

WPP Scangroup Plc is committed to good corporate governance and to complying with legislation, regulation and codes of best industry practice in all jurisdictions in which it has a presence. The Board of Directors (“the Board”) subscribes to generally accepted principles of good governance and in particular has adopted, as part of its continuing listing obligations, The Nairobi Securities Exchange and Capital Markets Authority’s guidelines on corporate governance practices by public listed companies in Kenya.

2. OBJECTIVES OF THE CHARTER

This Board Charter defines the governance parameters within which the Board exists and sets out specific responsibilities to be discharged by the Board and directors collectively, as well as certain roles and duties incumbent upon directors as individuals.

Whilst the Board Charter stipulates minimum acceptable standards of conduct, it is critical that in pursuit of ideals underlying it, substance takes precedence over form.

3. BOARD STRUCTURE

3.1 Size and Composition of the Board

3.1.1 The Board shall comprise of not less than five (5) and not more than Nine (9) directors unless otherwise determined as provided in the Company’s Articles of Association.

3.1.2 The Board shall compose of a balance of executive, non-executive and independent directors of diverse skills or expertise in order that no individual or group of individuals can dominate the Board’s decision-making process.

- 3.1.3 Irrespective of a director's special expertise and knowledge, and regardless of whether a director is an executive, non-executive or independent director, all directors recognize that they are collectively responsible to the shareholders for the performance of the Company.

3.2 Appointments to the Board

- 3.2.1 There shall be a formal and transparent procedure in the appointment of directors. All appointments shall involve the Nominating & Remuneration Committee which shall propose new nominees to the Board and or consider candidates for directorship proposed by the Chief Executive and shareholders. However, the responsibility of appointing directors shall rest on the full Board after considering the recommendations of the Nominating & Remuneration Committee. All directors will be given letters of appointment upon joining the Board. They will also be taken through a formal induction program meant to acquaint them with the structure and business of the company from the onset.

- 3.2.2 All appointments will be based on merit and against objective criteria which shall include the following:

- integrity and standing in society;
- balance between executive, non-executive and independent directors;
- mix of skill, knowledge, expertise & experience;
- literacy in financial and business management;
- track record of high performance;
- ability to exercise sound independent judgment;
- good communication skills;
- leadership qualities;
- technical (industry specific) skills;
- gender and national outlook; and
- succession planning

- 3.2.3 The Board shall undertake an annual review of its composition and performance to ensure that:

- the membership mix is appropriate and compatible with the needs of the Board.
- non-executive directors devote adequate time and contribute effectively to the affairs of the Company.

- 3.2.4 To ensure effective participation in the Board, a director shall not hold a position of directorship in more than five (5) listed companies at any one time and the Chairman shall not hold such position in more than two (2)

listed companies. Multiple directorships in respect of Alternate directors shall be limited to three (3) listed companies.

- 3.2.5 The Company shall make public announcement of the appointment of a Director.

3.3 Removal of Directors

3.3.1 The office of director shall be vacated by statute and regulations issued by Regulators from time to time, death or under the provisions of the Company's Articles of Association in the following events:

- bankruptcy or committing an act of bankruptcy;
- incapacity, by reason of mental disorder;
- resignation;
- being an Investor nominated director, removal by the Investor;
- absence either in person or by an Alternate without leave for a period of more than six (6) months from meetings of the directors held during that period; and
- absence either in person or by Alternate for three (3) consecutive meetings of the Directors.

3.3.2 The termination of an employment contract of an executive director or an Investor nominated director will result, ipso facto, in the termination of his/her membership of the Board, unless the Board determines otherwise.

3.3.3 The Company shall disclose the resignation by a serving director in the Annual Report together with the reasons necessitating the resignation.

3.4 Chairman and Chief Executive

3.4.1 There shall be a clear separation of the role and responsibilities of the Chairman and the Chief Executive.

3.4.2 The Chairman's primary role is to direct the Board's business and act as its facilitator and guide, ensuring the Board is effective in its task of setting and implementing the Company's corporate direction and strategy. More specifically the Chairman's responsibility will include:

- providing overall leadership to the Board;
- determining the agenda and ensuring that the Directors receive accurate, timely and clear information of business to be transacted at Board meetings;
- chairing and efficiently conducting Board and general meetings;

- maintaining a close but independent working relationship with the Chief Executive;
- acting as an information link between the Board, management and shareholders;
- harnessing the collective skills of the Board and the executive team;
- facilitating an enabling environment conducive to free and open discussions;
- heading the Board evaluation process;
- guiding the Board decision-making process and where there is extreme necessity use his/her casting vote; and
- in consultation with the Nominating & Remuneration Committee to ensure that effective induction and training programs for directors are developed and implemented and to monitor the overall activities and performance of Board and Committees.

3.4.3 The Chief Executive shall be responsible for the day-to-day leadership of the Company's business affairs and in general, shall be responsible for the following:

- formulating strategy and policy for Board approval;
- implementing and communicating policies and strategies approved by the Board;
- preparing business proposals and submissions for Board approval;
- achieving the Company's financial and operating goals and objectives;
- ensuring continuous improvement in the quality and value of the products and services provided by the Company;
- overseeing personnel matters including hiring and firing of senior staff and ensuring that the Company has an effective management team structure and succession plan;
- maintaining a conducive work environment for attracting, retaining and motivating staff; and
- nurturing a corporate culture that promotes ethical practice.
- ensuring that the Company champions and complies with the Law and good Corporate Governance practices

3.4.4 The Board shall have a clear succession plan for the Chairman and Chief Executive to avoid undue disruptions that may be caused by unplanned and sudden departures that could undermine the Company's and shareholders' interests.

3.5 Alternate Directors

3.5.1 Any Director may at any time appoint another director or any person approved by the Board to be his/her Alternate director to act in his/her place at any meetings of the Board at which the appointer is unable to be

present. Such appointee shall be entitled, in the absence of the appointer, to exercise all the rights and powers of a Director and to attend and vote at meetings at which the appointer is not personally present and where the appointee is a director, to have a separate vote on behalf of the appointer in addition to his/her own vote.

3.5.2 Any Alternate director shall *ipso facto* cease to be an Alternate director if the appointer ceases to be a director or if the appointment is revoked by the appointer or if he/she resigns.

3.5.3 Alternate directors shall be deemed to be directors for all intents and purposes and shall be bound by the provisions of this Board Charter.

3.6 Term

All directors including the Chairman but save the Investor appointed directors and the executive directors shall be required to retire by rotation at regular intervals with a provision that they may offer themselves for re-election on a pre-determined policy and criteria. The Investor appointed directors shall serve on the Board at the pleasure of the Investor while the executive directors shall be on term contracts which shall be based on pre-agreed performance criteria.

4. DIRECTORS' PROCEEDINGS

4.1 Frequency of Board meetings

The Board shall develop and maintain reporting and meeting procedures for itself and its Committees as it thinks fit. Regular Board meetings shall be held at least four times a year on dates and at venues agreed by the directors. Unless otherwise agreed, the meetings shall take place in Nairobi. A schedule of meetings will be provided to the directors as part of the Annual Board Work Plan.

4.2 Notification of meetings and Agenda

The Company Secretary shall, in consultation with the Chief Executive and the Chairman, be responsible for issuing proper notice of Board meetings and circulation of relevant Board papers. The Agenda and Board papers will be circulated at least seven (7) working days in advance of the meeting to allow Directors sufficient time for review before the meeting.

The Board has sole authority over its agenda and exercises this through the Chairman. Any member may through the Chairman request the addition of an item to the Agenda. The Chairman working with the Chief Executive and the Company Secretary will set the Agenda.

4.3 Attendance at Board meetings

The quorum necessary for transacting the business of the Board may be fixed by the directors and unless so fixed shall be four directors present in person or through Alternate.

4.4 Board Minutes

The Company Secretary shall be responsible for taking the minutes of all Board meetings. Such minutes shall provide an accurate record of the directors and all persons present at meetings, the resolutions passed and proceedings at the meetings. Minutes of all Board meetings shall be considered at subsequent Board meetings, approved and signed by the chairman of the meeting.

4.5 Decision at Board meetings

The Board shall endeavor to arrive at decisions through consensus. Questions arising at any meeting shall be determined by a majority of votes of the directors present and in the case of any equality of votes, the Chairman shall have a second or casting vote.

5. ROLE OF THE BOARD

5.1 The Board of directors shall assume a primary responsibility of fostering the long-term business of the Company consistent with their fiduciary responsibility to the shareholders. The Board of directors should accord sufficient time to their functions and act on a fully informed basis while treating all shareholders fairly, in the discharge of the following responsibilities, amongst others:

- define the company's mission, vision and values, its strategy, goals, risk policy plans and objectives;
- ensure effective accountability and stewardship of resources within the Company;
- oversee the corporate management and operations, management accounts, major capital expenditures and review corporate performance and strategies at least on a quarterly basis;
- identify the corporate business opportunities as well as principal risks in its operating environment including the implementation of appropriate measures to manage such risks or anticipated changes impacting on the corporate business;
- ensure the efficient management of the Company and development of appropriate staffing and remuneration policy including the appointment of Chief Executive and senior staff;
- ensure that the Company has developed succession plans for its directors and senior management;
- review on a regular basis the adequacy and integrity of the Company's internal control, acquisitions and divestitures and management information systems;
- ensure that the Company complies with all relevant laws, regulations, rules and guidelines;
- establish and implement a system that provides necessary information to the shareholders including shareholder communication policy for the Company;

- take into consideration the interests of the Company's stakeholders maintaining an effective disclosure and communication system with all stakeholders;
- approval of the Company's annual budgets;
- review and approval of the company's periodic or annual Financial Statements and present the same for shareholder approval (where applicable)
- ensure the Company has developed an effective Corporate Social Responsibility program;
- regularly evaluate its performance and effectiveness as a whole and that of individual directors including the Chief Executive and the Chairman;
- monitor the adequacy and effectiveness of the Company's governance structures; and
- monitor and manage potential conflict of interest situations at management Board and shareholder level.

5.2 In discharging their above roles, directors are expected to have the following attributes:

- act in good faith and in a transparent and professional manner, having regard to their fiduciary duty and responsibilities to the shareholders;
- exercise independent judgment in the interests of the Company; and
- apply themselves diligently to the business of the Company.

6. BOARD COMMITTEES

To enable the Board effectively discharge its duties, the Board may form Committees of its members and delegate specific mandates to such committees as may be. The Committees shall conduct their affairs subject always to their terms of reference as approved by the Board. The Board shall establish the following committees and delegate to them specific mandates detailed in Appendix I and II.

- Audit, Risk Management & Compliance Committee
- Nominating & Remuneration Committee
- IT Committee
- Ethics & Governance Committee

7. CONFLICT OF INTEREST

7.1 The Directors are under a fiduciary duty to act honestly and in the best interests of the Company. To this end, directors should avoid putting themselves in a position where their self-interest conflicts with their duty to act in the best interests of the Company.

7.2 The Company Secretary shall maintain a register of Directors' Interests to provide a formal record of interests that directors have with the Company.

- 7.3 Directors, their immediate families and companies where directors have a controlling interest may only transact with the Company on arm's length basis. All such transactions shall be recorded in the register of Directors' Interests and reported at each Board meeting.
- 7.4 It shall be the duty of a director to disclose any area of conflict of interest or potential conflict of interest that may undermine his/her position as director. Directors shall on an annual basis make a declaration that they have not in any way transacted with the Company or conducted their affairs in any manner resulting or likely to give rise to a conflict of interest.
- 7.5 The following options may be considered in resolving conflict of interest:
- Disclosing the conflict: A director should disclose the nature of a conflict which should be recorded in the minutes of the Board and the register in 7.2 above.
 - Refraining from discussion: If the conflict is of a minor nature it may be sufficient for a director who has disclosed his/her interest to remain at the meeting and simply refrain from discussion. If a conflict is of a more substantial nature the Board may consider excluding a director from those portions of board meeting where the matter will be discussed.
 - Resignation: In the event that the conflict is major – for instance where a director or a member of his/her family is involved in a competing business, such director may be asked to resign from the Board.
- 7.6 The provisions of conflict of interest herein shall be complimentary to the provisions relating to the same in the Company's Articles of Association and the Companies Act.

8. DECISION MAKING

- 8.1 Directors are encouraged to hold discussions openly and constructively, recognizing that genuinely held differences of opinion could, in such circumstances, bring greater clarity and lead to better decisions.
- 8.2 Each director commits to express their views in a forthright manner and to use all means at their disposal to convince the Board of the validity of their position should they hold that a proposed Board decision is not in the best interest of the Company.
- 8.3 The Chairman will facilitate free, fair and open discussions on all matters tabled for consideration. He will use best endeavors to seek consensus in Board decisions failing which he will call for a vote.
- 8.4 The Company Secretary will keep a register of all decisions that are voted upon and the vote of the respective directors.

9. CONFIDENTIALITY

- 9.1 Information concerning the Company which is communicated orally or in Board papers, to Directors in confidence in connection with their functions is provided *intuit personae* (in consideration of the person). Directors must personally take the necessary precautions to preserve the confidentiality of such information and not divulge it under any circumstances. This personal responsibility applies equally to any Alternate directors.
- 9.2 The Company Secretary shall ensure that any employee, consultant or invitee attending Board/Committee meetings is aware of this duty of confidentiality and is bound accordingly.

10. DIRECTORS REMUNERATION

- 10.1 The Board shall establish a formal and transparent procedure for remuneration of directors which shall be disclosed in the Annual Report. The Board, through the Nominating & Remuneration Committee shall be responsible for reviewing the directors' remuneration and recommending changes from time to time.
- 10.2 In considering the compensation for non-executive directors, the Board shall consider the following:
- The number of hours spent by directors in preparing for and attending meetings;
 - Current market rates applicable to other directors of companies of similar size in competing sectors; and
 - The number of meetings in the year.
- 10.3 The Executive directors' remuneration should be competitively structured and linked to performance.
- 10.4 Directors' remuneration shall be disclosed in the Annual Report and approved by shareholders.

11. DIRECTORS' ORIENTATION AND TRAINING

- 11.1 Newly appointed directors will undergo a comprehensive, formal and tailor made induction programme, to ensure their effective contribution to the work of the Board and Committees. The induction will amongst others, cover the nature of the Company's business, organizational structure, Board and Committee mandates, key strategies, Board practices and procedures as well as the role duties and responsibilities of directors.
- 11.2 All directors will also receive continuing training to extend and refresh their knowledge and skill which add to their credibility and effectiveness in the

discharge of their responsibilities. In particular, all directors will undergo formal training and certification in corporate governance.

- 11.3 The Company shall provide the necessary resources for implementing such training programmes.

12. PERFORMANCE EVALUATION

- 12.1 The Board shall have in place a process of a formal self-evaluation of its performance each year. The primary purpose of the self-evaluation is not only to enhance the performance, effectiveness and contribution of each director, but also to improve the effectiveness of the Board as a whole. The formal self-evaluation once a year will not replace informal feedback on performance on an ongoing basis.

- 12.2 The self-evaluation shall cover the performance of the Chairman, Chief Executive, individual directors and the Committees.

- 12.3 The self-evaluation process shall address, as a minimum, the following key areas:

12.3.1 Shareholders' and Stakeholders Expectations

- Has the Board clearly defined the Company's stakeholders to which it is accountable and responsible?
- Is there full and accurate reporting on Company affairs to the shareholders?
- Do Company goals reflect shareholder expectations?

12.3.2 Legal Responsibilities

- Does the Board have effective procedures in place to ensure that the organization is meeting its legal and regulatory responsibilities?

12.3.3 Management of Board and Committee Meetings

- Does the Board and Committees hold meetings in accordance their respective Charters?
- Is there active participation in deliberations and decision making?
- Is there enabling environment for the directors to exercise independent and sound business judgment?
- Are key members of management invited to Board and Committee meetings to provide management perspective and briefs?

12.3.4 The Company's Direction and Performance

- How satisfactory is the Board's monitoring of the Company's performance?

- Are important issues identified in a timely manner and appropriately addressed?
- Is there an effective risk management process in place? Are risks properly identified and appropriate steps taken to manage them effectively?
- Is an impact assessment relating to key decisions carried out and appropriate action taken to address any deficiencies that may come to light?

12.3.5 Individual Board Members Contributions

- How effective is the Chairman, Chief Executive and individual directors in the discharge of their responsibilities?
- Is there adequate recognition and effective use of individual board members particular skills?

12.4 The results of the self-assessment will be used to determine the strengths and weakness of the Board, identify any skills gap in the composition of the Board and provide important input for appointments, re-appointments and specific training needs of directors.

13. ACCOUNTABILITY AND AUDIT

13.1 Financial Reporting – The Board of Directors is responsible for:

- ensuring that qualified, competent, fit and proper persons are employed to undertake accounting and financial responsibilities;
- ensuring the integrity and adequacy of the Company's accounting and financial systems;
- ensuring the Company complies with applicable accounting standards and regulatory framework.

13.2 The Board shall present to the stakeholders, annually, a balanced and understandable assessment of the Company's financial position and prospects. The Directors shall explain in the Annual Report their responsibility for preparing the accounts and express their opinion on whether the Company remains a going concern, with supporting assumptions or qualifications as necessary.

14. INTERNAL CONTROL

The Board is responsible for the Company's systems of internal control. It shall set appropriate policies on internal control, and shall regularly (at least annually) conduct a review of the effectiveness of the Company's systems of the internal controls, and confirm to the shareholders that they have done so. The review shall cover all material controls, including financial, operational compliance, as well as risk management procedures. The Board shall further ensure that the

system of internal control is effective in managing risks in the manner in which it has approved.

15. INSIDER TRADING

The Capital Markets Authority Act (the 'Act') has prescribed certain regulations that expressly prohibit the use of unpublished insider information and directors are expected to act in strict compliance with insider trading rules and regulations set in the Act. Accordingly directors shall not, directly or indirectly, buy or sell shares in the Company while in possession of insider information or disclose inside information to anyone within or outside the Company.

16. CORPORATE SOCIAL RESPONSIBILITY

The Board shall ensure establishment of a Corporate Social Responsibility policy.

17. BOARD WORK PLAN

The Board shall prepare a Work Plan setting out the activities planned for each financial year. The Work Plan will cover amongst others, the timings for regular Board and Committees meetings and the Annual General Meeting, special projects and principal areas of focus in that year.

Each year's Work Plan shall be presented to and be approved by the Board before commencement of the relevant year.

18. PROCESS OF REVIEW OF THE BOARD CHARTER

The Board shall review this Charter as and when necessary to ensure it remains relevant to the Company's business objectives and best practices for corporate governance.

19. MEMORANDUM AND ARTICLES OF ASSOCIATION

This Charter is subject to Company's Articles of Association and in the event of any conflict or inconsistency between the provisions of this Charter and those in the Articles of Association, the provisions of the latter shall prevail.

Adopted by the Board of Directors on this 7th Day of August 2019