



BOARD SUCCESSION **POLICY**

1. Preamble

Members of the Board of Directors play critical roles in defining the vision and strategic goals of the Bank, as well as ensuring that it meets its stated mission. Some members may serve on the Board for specific periods of time.

The policy is intended to support the existing frameworks for Board engagement and performance as well as effective leadership at the Group level.

2. Policy Purpose & Objectives

This policy aims to ensure the sustenance and continuity of Directors at I&M Holdings plc through the identification and selection of potential candidates in the event of permanent, programmed or unforeseen exit of any of its members. The purpose of this policy is to:

- Define guidelines to ensure preparedness for change at Board level thereby underscoring good governance.
- Ensure that there are appropriate and pro-active processes are in place to recruit suitable candidates for vacant positions in the Board;
- Ensure that a framework is in place to identify the required knowledge, skills and experience that will result in the collective knowledge, skills and experience necessary for the Board to effectively govern the Bank and to effectively fulfill its role and responsibilities.
- Achieve continuity through a smooth succession of Directors (including Board and committee leadership) that balances fresh perspective and independence with experience and institutional memory; and,
- Satisfy best practice within the legal and regulatory framework in particular, the Banking Act, the Prudential Guidelines issued by Central Bank of Kenya Prudential Guidelines and the various regulations and Code of Corporate Governance issued by Capital Markets Authority from time to time.

3. Governance Framework & Responsibility

The Board has mandated the Board Nomination and Remuneration Committee (BNRC) to satisfy itself that there are processes and plan with regard to succession planning at Board level.

The BNRC is responsible for reviewing the structure, size and composition of the Board of Directors, and for identification and selection of potential successors based on their

professional training, skills, experience, commitment and social standing. The committee will provide leadership over Board succession planning and shall implement such processes and procedures as required to fulfill these policy objectives.

Key considerations in identifying possible candidates for being appointed as a Director in addition to being guided by the skills matrix and succession plan and will include, *inter alia*, the following:

- (i) Competencies required by the Board in accordance with its dynamic and the challenges the business may be faced with at a given time;
- (ii) Independence as defined by the applicable regulatory framework
- (iii) Leadership, career, recognition, training, availability, complementary capabilities, gaps, diversity and eventual conflicts of interests of potential successors.

The Board through BNRC shall ensure that:

- the identification of potentially qualified Directors and evaluation processes will be fair, open, transparent, competency-based and inclusive;
- the recruitment and candidate evaluation process will take into account those additional skills, qualifications and attributes required for the role of Board Chair, or Committee Chairs as set out in the respective Terms of Reference.

4. Guiding Principles

1. An appropriate degree and balance shall be sought among the full Board to ensure that it possesses sufficient technical expertise to fulfill its strategic and fiduciary and risk oversight responsibilities. This will include the need for emerging technical skills and expertise at the Board level that may evolve based as a result of emerging or evolving priorities, risks or changes in the Group's business operations.
2. In addition to the overall objectives to achieve a diversity of perspective and demographics at a full Board composite level, specifically, the Board is committed to achieving a full board composition in which each gender is well balanced and represented in addition to ensuring ethnic, cultural, geographic and age diversity.

5. Review of policy

The Board through the BNRC will review this Policy every so often and as required to ensure it remains consistent with the Board's objectives and responsibilities.
