

How We Safeguard Value (continued)

Corporate Governance Report

Our Corporate Governance Statement

Safaricom PLC, through its Board of Directors is committed to implementing and adhering to good corporate governance and best practice. The Board considers that good governance, achieved through an ethical culture, competitive performance, effective control, and legitimacy, can create sustainable value, and enhance long-term equity performance.

The Board applies good governance practices to promote strategic decision making for the organisation to balance short-, medium- and long-term outcomes to reconcile interests of its stakeholders and the society to create sustainable shared value. To that end, sound governance practices, based on accountability, transparency, ethical management, and fairness, are entrenched across the business.

Statement of Responsibilities

The Companies Act, 2015 requires Directors to act in good faith, to promote the success of the Company for the benefit of its stakeholders and to avoid conflict between their personal interests and those of the Company, always acting in the best interest of the Company. Directors must have due regard to the long-term consequences of their decisions, the legitimate interests of employees, the need to foster effective business relationships with suppliers, customers and various stakeholders, the impact of the Company's operations on the community and the environment, and the desire to maintain a reputation for high standards of business conduct.

The Board of Directors of Safaricom is responsible for the governance of the Company. To this end, the Board is committed to ensuring that the Company complies with the laws, regulations, and standards applicable to it. The Directors are responsible for putting in place governance structures and systems that support the practice of good governance. The Board ensures that high standards and practices in corporate governance and more specifically the principles, practices and recommendations set out under the *Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015* ("the CMA Code"), as well as the Companies Act, 2015 ("the Act") are adhered to. Safaricom continues to endeavour to comply with the provisions of the CMA Code.

Over and above the annual self-assessment that the Company is expected to complete on its level of compliance of the Code, the Corporate Governance Statement as provided in this Annual Report will highlight to the Company's shareholders and various stakeholders, the performance to date. Safaricom remains committed to the highest standards of corporate governance and business ethics. Good corporate governance practices are essential to the delivery of long term and sustainable stakeholder and shareholder value.

The Company also adheres to other regulations promulgated by the CMA and the Nairobi Securities Exchange, and the ethical standards prescribed in the Company Code of Conduct. In addition, as a law-abiding corporate citizen, Safaricom abides by the tenets of the Constitution of Kenya and all other laws.

We continuously assess our governance operating model to ensure that robust internal governing bodies and proper systems/processes are in place to support the Board and Management to drive change, set strategic direction and formulate high-level goals and policies.

The Directors are committed to fulfilling their fiduciary responsibilities and have instituted various principles necessary to ensure that good governance is practiced with respect to dealings with the Company's shareholders, customers, and other relevant stakeholders in line with the spirit of the Code of Corporate Governance for listed Companies.

Leadership and responsibilities

The Board is committed to ensuring that a strong governance framework operates throughout the Company, recognising that good corporate governance is a vital component to support management in their delivery of the Company's strategic objectives, and to operate a sustainable business for the benefit of all stakeholders. The Board recognises that the process of identifying, developing, and maintaining high standards of corporate governance suitable for the Company is ongoing and dynamic to reflect changes in the Company and its business, the composition of the Board and developments in corporate governance.

The Board is collectively accountable and responsible for the Company's vision, strategic direction, its values, and governance. The responsibility for implementing strategy and day-to-day operations has been delegated by the Board to the Chief Executive Officer (CEO) and his Senior Leadership Team.

Throughout the year ended 31 March 2024 and to the date of this document, the Company endeavoured to comply with the Capital Markets Authority (CMA) Code of Corporate Governance Practices for Issuers of Securities to the Public 2015 (the "Code"). The Board considers that this Annual Report and notably this section, provides the information that shareholders need to evaluate how the Company has applied the principles in the Code. In addition to complying with the Code, the Company has embedded internal rules of engagement to support corporate governance.

The role of the Board

The Board serves as the focal point and custodian of corporate governance in the Company. The Board is collectively responsible for the Company's vision, strategic direction, its values and governance, and is accountable to the Company's shareholders for the performance of the business. The Board is expected to provide effective leadership to the Company towards the following matters:

- sustainable long-term success through the exercise of objective and informed judgement in determining the strategy of the Company;
- having the right team in place to execute the strategy through effective succession planning;
- setting up appropriate governance structures for the management of the business operations;
- monitoring business performance and maintaining an effective framework of controls to mitigate risks facing the business; and
- ensuring ethical behaviour and compliance with the laws and regulations.

The key responsibilities of the Board include:

- Providing effective leadership in collaboration with the Executive management team;
- Approve the Company's mission, vision, its business strategy, goals, risk policy plans and objectives;
- Approving the Company's business strategy and ensure the necessary financial and human resources are in place to meet agreed objectives;
- Approve the Company's budgets as proposed by the Executive management team;

- Establishing and agreeing an appropriate governance framework;
- Reviewing the sufficiency, effectiveness and integrity of the risk management and internal control systems;
- Approving the Company's performance objectives and monitoring their achievement;
- Review and agree Board succession plans and approve Non-Executive Director appointments;
- Reviewing periodic financial and governance reports;
- Approving the Annual Report, Company results and public announcements;
- Declaring an interim/recommending a final dividend;
- Approving Company Policies and monitoring compliance with the Standards of Business Conduct; and
- Ensuring that the relevant audits e.g., financial, governance or legal and compliance are conducted.

As at the financial year end of 31 March 2024, the Board operated through five principal Board Committees, to which it had delegated certain responsibilities; these committees are: the Board Audit Committee, The Board Risk, Environment and Social Governance Committee, the Board Human Resources Committee and the Board Nominations Committee. The Board also had one standing committee, the Board Investments and Innovation Committee. The roles, membership and activities of these Committees are described in more detail later in this report. Each Committee has its own terms of reference which are reviewed periodically and updated as appropriate.

The Board devotes considerable attention to corporate governance matters relating to the Company's internal controls and compliance activities. It receives updates from the respective chairpersons of each committee at the following Board meeting.

Separation of powers and duties of the Chairman and the Chief Executive Officer (CEO)

The Chairperson and the Chief Executive Officer have distinct and clearly defined duties and responsibilities. The separation of the functions of the Chairman (a Non-Executive Director) and the Chief Executive Officer (Executive Director) supports and ensures the independence of the Board and Management. The balance of power, increased accountability, clear definition of responsibilities and improved decision-making are attained through a clear distinction between the non-executive and executive roles.

The Chairman

- Leads the Board, sets each meeting agenda and ensures the Board receives accurate, timely and clear information to monitor, challenge, guide and take sound decisions;
- Promotes a culture of open debate between the Non-Executive Directors and Executive Directors and holds meetings with the Non-Executive Directors, without the Executive Directors present;
- Regularly meets with the Chief Executive Officer and other Senior Management to stay informed;
- Ensures effective communication with shareholders and other stakeholders;
- Promotes high standards of corporate governance;
- Promotes and safeguards the interests and reputation of the Company; and
- Represents the Company to government, shareholders, regulators, financial institutions, the media, the community, and the public.

The Chief Executive Officer

- Is responsible for the day-to-day management of the business of the Company and to oversee the implementation of strategy and policies approved by the Board and serving as the official spokesperson for the Company;
- Provides coherent leadership of the Company, including representing the Company to customers, suppliers, governments, shareholders, financial institutions, employees, the media, the community and the public and enhances the Company's reputation;
- Leads the Executive Directors and senior management team in running the Company's business, including chairing the Executive Committee;
- Develops and implements the Company's objectives in line with the strategy having regard to shareholders and other stakeholders;
- Manages the Company's risk profile and ensures appropriate internal controls are in place;
- Ensures compliance with legal, regulatory, corporate governance, social, ethical, and environmental requirements, and best practice; and
- Ensures that there are effective processes for engaging with, communicating with, and listening to, employees and others working for the Company.

The senior leadership team

The leadership team led by the Chief Executive Officer is responsible for the day-to-day management of the Company and its operating subsidiaries. In so doing, it oversees the implementation of the strategy and policies set by the Board.

For profiles of the Senior Leadership Team, see page 138.

The key responsibilities of the senior leadership team include, inter alia:

- Developing the Company's business strategy for review and approval by the Board;
- Managing business functions and ensuring that functional strategies are effective and aligned with the Company's priorities and objectives;
- Monitoring the Company's operating performance;
- Reviewing functional budgets and activities and ensuring that they are adequate to achieve their targets;
- Developing guidelines for the Company's functional business units;
- Overseeing the management and development of talent within the Company;
- Ensuring that collective effort and resources are balanced, effective and properly focused; and
- Making recommendations on matters reserved for Board approval.

How We Safeguard Value (continued)

Corporate Governance Report (continued)

Our Corporate Governance Statement (continued)

The Company Secretary

The Company Secretary is a member in good standing with the Institute of Certified Secretaries (ICS). The Company Secretary provides a central source of guidance and advice to the Board on matters of governance, statutory compliance, and compliance with the regulators.

The role of the Company Secretary is to:

- Provide a central source of guidance and advice to the Board, and the Company, on matters of statutory and regulatory compliance and good governance;
- Provide the Board and the Directors individually with guidance on how their responsibilities should be discharged in the best interests of the Company;
- Facilitate the induction training of new directors and assisting with the directors' professional development as required. This includes identifying and facilitating continuous Board education;
- In consultation with the Chief Executive Officer and the Chairman, ensure effective flow of information within the Board and its committees and between senior management and Non-Executive Directors. This includes timely compilation and distribution of Board papers and minutes, as well as communication of resolutions from Board meetings;
- Guide the Company in taking the initiative to not only disclose corporate governance matters as required by law, but also information of material importance to decision-making by shareholders, customers, and other stakeholders;
- Coordinate the governance audit process;
- Assist the Board with the evaluation exercise; and
- Keep formal records of Board discussions and following up on the timely execution of agreed actions.

Board size

The Board determines its size and composition, subject to the Company's Articles of Association, Board Charter, relevant policies, applicable law, and best practices. The Company's Articles of Association provides for a maximum of 11 Directors. As at 31 March 2024, the Board comprised 10 Directors, nine being Non-Executive Directors, while one is an Executive Director (the Chief Executive Officer). Of the nine Non-Executive Directors, three are independent as defined in the Code. The Board is of the view that its current size is sufficient and enables it to deliver on its mandate.

Board appointment

In line with the Company's Articles of Association, and their current shareholding, three of the Non-Executive Directors are appointed by Government of Kenya and four of the Non-Executive Directors are appointed by Vodafone Kenya Limited. The Non-Executive Directors, other than those appointed by Government of Kenya and Vodafone Kenya Limited, are subject to retirement by rotation and seek re-election (if they choose to) by shareholders in accordance with the Articles of Association.

As part of its mandate, the Nominations Committee is responsible for the selection and appointment of Board Directors. Prior to any appointment, the Board Nomination Committee develops suitable selection criteria for potential candidates, screens and interviews them before they are formally appointed. The Committee is permitted by its terms of reference to engage the services of a qualified external consultant to identify prospective candidates for the role of independent Director.

In between AGMs, in the event of any vacancy, the Board may appoint a Director to serve until the next AGM. Any such appointment of independent Director is brought to the attention of the shareholders through the notice of the AGM, and the Director, if they opt to seek re-election, is subjected to an election process by the shareholders, at the next AGM following their appointment.

The Articles of Association also provide that at every AGM, and as may be applicable, at least one-third of the independent Directors must retire from the Board and where eligible, stand for re-election.

Non-Executive Directors

As at 31 March 2024 and as at the date of this Annual Report, the Board had nine Non-Executive Directors. The Non-Executive Directors come from broad industry and professional backgrounds, with varied experience and expertise aligned to the needs of the business.

The Non-Executive Directors help develop strategy and are responsible for ensuring that the business strategies proposed are fully discussed and critically reviewed. This enables the Directors to promote the success of the Company for the benefit of its shareholders, with consideration of, among other matters, the interests of employees, the fostering of business relationships with customers, suppliers, and other stakeholders. The Non-Executive Directors oversee the operational performance of the business, scrutinise performance of Management and the Company, bring an external perspective to the Board, monitor reporting of performance and should be available to meet with major stakeholders as appropriate. To perform these tasks, they have access to relevant information, with updates provided on regulatory and other matters affecting the Company.

Independent Directors and independence

As at 31 March 2024 and as at the date of this Annual Report, three of the Non-Executive Directors were Independent as defined in the Code and accordingly most of the Board was constituted of Independent Directors. The Company has committed to commence the process of appointment of a 4th independent director so that a third of the Board comprises of independent directors.

The composition of the Board

The Directors who served during the year to 31 March 2024 and the Board changes that took place in the year under review, are set out to the right.

Name	Nationality	Date of appointment as a Director	Date of ceasing to be a Director
Adil Khawaja	Kenyan	22 December 2022	–
Peter Ndegwa	Kenyan	1 April 2020	–
Mohamed Shameel Joosub	South African	31 August 2017	–
Rose Ogega	Kenyan	12 February 2019	–
Francesco Bianco	Italian	20 March 2020	–
Raisibe Morathi	South African	1 November 2020	–
Winnie Ouko	Kenyan	10 February 2021	–
Dr Karen Kandie (alternate to the Cabinet Secretary National Treasury & Planning)	Kenyan	24 February 2023	–
Ory Okolloh	Kenyan	24 February 2023	–
Dr (Eng) John Mosenik	Kenyan	23 August 2023	–
Murielle Lorilloux	French	23 August 2023	–

Board operations

The Safaricom Board meets at least four times a year and the meetings are structured in a way that allows for open discussions.

The Board is solely responsible for its agenda. It is, however, the responsibility of the Chairman and the Company Secretary, working closely with the Chief Executive Officer, to come up with the annual Board work plan and the agenda for the Board meetings. The Work Plan is designed to enable the Board to drive the Company's strategy forward. The Board work plan for the year 2024 was approved by the Board at its meeting held on 6 November 2023.

The notice, agenda and comprehensive Board papers are prepared and circulated to all Directors with due notice in line with the Board Charter, prior to the meeting. This allows time for the Directors to undertake an appropriate review of the Board papers to facilitate full and effective discussions at the meetings.

The submissions and notification period may be waived should any urgent and critical matters arise.

Directors are entitled to request for additional information where they consider further information is necessary to support informed decision-making.

Where Directors are unable to attend a meeting, they are advised on the matters to be discussed and given the opportunity to make their views known to the Chairman or the Chief Executive Officer prior to the meeting.

The members of the Senior Leadership Team may be invited to attend the Board and/or Committee meetings if deemed necessary and as appropriate, to make presentations on their areas of responsibility. This serves as an opportunity to give the Directors greater insights into their business areas.

Board meetings and Annual General Meeting attendance from 1 April 2023 to 31 March 2024

	Adil Khawaja	Michael Joseph	Peter Ndegwa	Shameel Joosub	Rose Ogega	Francesco Bianco	Raisibe Morathi	Winnie Ouko	Dr Karen Kandie	Ory Okolloh	Dr (Eng) John Mosenik	Murielle Lorilloux
3 April 2023	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	–	–
4 April 2023	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	–	–
2 May 2023 (Special)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	–	–
8 May 2023	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	–	–
27 July 2023	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	–	–
28 July 2023 (AGM)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	–	–
23 August 2023 (Special)	✓	–	✓	✓	✓	✓	✓	✓	✓	✓	–	–
6 November 2023	✓	–	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7 November 2023	✓	–	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
21 February 2024	✓	–	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

- Dr Karen Kandie was appointed as the alternate to the Cabinet Secretary, National Treasury & Planning, in place of Eng. Stanley Kamau, with effect from 24 February 2023.
- Ory Okolloh was appointed as a Director with effect from 24 February 2023.
- Michael Joseph ceased to be a Director with effect from 1 August 2023.
- Dr (Eng.) John Mosenik was appointed as a Director with effect from 23 August 2023.
- Murielle Lorilloux was appointed as a Director with effect from 23 August 2023.

How We Safeguard Value (continued)

Corporate Governance Report (continued)

Our Corporate Governance Statement (continued)

Board meetings and Annual General Meeting attendance from 1 April 2023 to 31 March 2024 (continued)

During the year under review, in the key areas of focus for its activities and topics discussed, the Board:

- Approved the audited financial statements for the year ended 31 March 2024 as well as the guidance, press release and commentary.
- Discussed and resolved to make a recommendation to the shareholders on the approval of the final dividend for the year ended 31 March 2024.
- The Board further considered and approved the unaudited half year financial statements for the period to 30 September 2023.
- Approved the interim dividend for the year ended 31 March 2024 and made a recommendation to the shareholders on the approval of the final dividend for the year under review.
- Approved the audit fees for the external auditor.
- Reviewed and agreed the Company's strategy and ensured that the necessary financial and human resources were in place to meet agreed objectives.
- Reviewed and approved the strategic initiatives and financial plans for the year under review and specifically discussed the funding for Ethiopia and Mobile Financial Services License Fee for Ethiopia.
- Approved the FY24 budget, long range plan and monitored performance against the approved budget of the Company.
- Monitored the political and regulatory trends and developments and their implications for the business.
- Discussed and improved the Board's understanding of key risks facing the business in Ethiopia including from a political and economic perspective.
- Discussed the risks and mitigations thereof that the business was exposed to including cyber threats, changing regulations.
- Reviewed and monitored the significant litigation cases and their liability.
- Received a report on the Board evaluation.
- Received regular reports of the deliberations of the Audit Committee, the Human Resources Committee, the Risk, Environmental, Social and Governance Committee, the Innovations and Investment Committee and the Nominations Committee.

Board Effectiveness

The effectiveness of the Board in its oversight and leadership role is enhanced by a robust support system. This is facilitated through:

Board Diversity

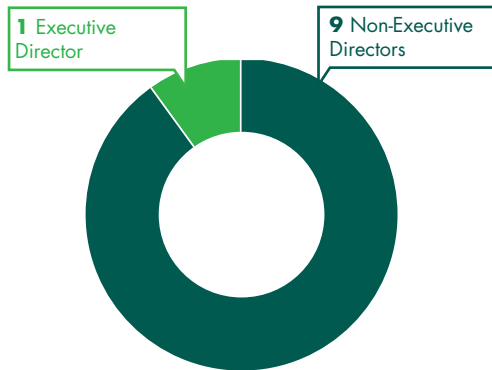
The Board recognises and embraces the benefits of diversity and views increasing diversity as an essential element in maintaining a competitive advantage. The Board also recognises the role of diversity in bringing different perspectives into Board debates and offers better anticipation of the risks that are inherent in the business and the opportunities that the business pursues.

Safaricom seeks to have a Board that has the right mix of individuals with relevant attributes, skills, knowledge, and experience and who jointly have the overall collective competence to deal with current and emerging issues and effectively guide Management in ensuring the highest performance for the Company. The Non-Executive Directors are expected to have a clear understanding of the strategy of the Company as well as knowledge of the industry in which the Company operates. The aggregate mix of skills and experience of the Directors seeks to challenge Management, ensure robust and constructive debate, augments and challenges the strategic thinking of the executives thereby adding value to the Company.

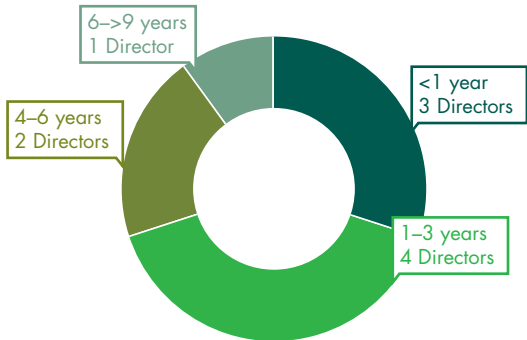
The Non-Executive Directors come from broad industry and professional backgrounds, with varied experience and expertise aligned to the needs of the business. The areas of expertise of the current Board of Directors include legal and governance, business management, telecommunications, finance, electrical engineering, IT, mobile money, corporate communications, economics, marketing, project management, risk management and human resources.

For brief biographies of the Directors, including details of their nationalities, relevant skills, and experience, see pages 130 – 136.

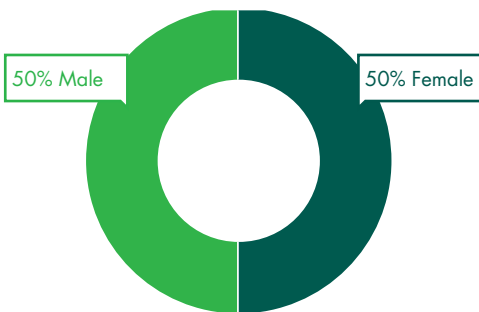
Balance of Non-Executive Directors and Executive Directors:



Length of tenure:



Gender split of Directors:



Management of conflicts of interest

The Directors are obligated to fully disclose to the Board any real or potential conflict of interest, which comes to any Director’s attention, whether direct or indirect. The statutory duty to avoid situations in which the Directors have or may have interests that conflict with those of the Company has been observed by the Board in the financial year under review.

All business transactions with all parties, Directors or their related parties are carried out at arm’s length. An acknowledgement that should it come to the attention of a Director that a matter concerning the Company may result in a conflict of interest, obligates the Director to declare the same and exclude himself/herself from any discussion or decision over the matter in question.

The Board has formal procedures for managing conflicts of interest in accordance with the Companies Act 2015 and the CMA Code of Corporate Governance Practices for Issuers of Securities to the Public. Directors are required to give advance notice of any conflict issues to the Chairman or Company Secretary, and these are considered at the next Board or Committee meeting.

Declaration of conflicts of interest is also a standard agenda item which is addressed at the onset of each Board and Committee meeting. Directors who are conflicted, are excluded from the quorum and vote, in respect of any matters in which they have an interest. Various conflicts of interest on related party transactions were reported by the affected Directors in the year under review.

Director induction

On joining the Board, all new Directors receive a detailed induction. The induction programme is initiated by the Chairman of the Board and progressed by the Chief Executive Officer, members of the Senior Leadership Team and the Company Secretary.

The induction programme includes a series of meetings with other Directors, the Chief Executive Officer, and senior executives to enable new Directors to familiarise themselves with the business. This provides an overview of the Company, the Company’s operating environment and new developments thereof, accounting, and financial reporting developments, as well as any regulatory changes. As part of the induction training, detailed presentations by Management, are factored in, so that the Directors gain a good sense of the Company’s operations and central functions. Two new Directors were appointed in the year under review and inducted.

How We Safeguard Value (continued)

Corporate Governance Report (continued)

Our Corporate Governance Statement (continued)

Board Effectiveness (continued)

Training and development

All Directors are expected to maintain the skills required to carry out their obligations. Board members undergo regular training and education to enable them to fulfill their responsibilities. Directors receive functional presentations built into the annual Board Work Plan to gain a good sense of the Company's operations and central functions. The Board and its Committees receive briefings and participates in deep dive sessions on various matters such as risks and their mitigations, legal and regulatory developments that directly impact the operations of the Company. These are facilitated by experts in the fields relevant to the Company's operations as well as the Management team.

During the financial year under review, the Directors engaged in facilitator-led training from credible sources on areas of Governance. Topics discussed included: Data Protection and Privacy matters and Cyber security and Anti-money laundering and Counter Finance Terrorism. To better understand the business, in the year under review, the Board also held deep dive sessions on Continuity and Resiliency Plan M-PESA and the operational environment in Ethiopia. This was also an opportunity for the Board of Directors to engage out of the boardroom and build on the relationships. A two-day investor relations day of the subsidiary in Ethiopia was held in February 2024 where the Board engaged with investors.

In the year under review, each of the Directors who served for the full year was able to secure at least 12 hours of training on areas of governance and regulatory compliance from the Company as prescribed by the CMA Code of Corporate Governance Practices for Issuers of Securities to the Public 2015.

Access to independent advice

The Board recognises that there may be occasions when one or more Directors considers it necessary to take independent advice on various matters such as legal or financial advice, at the Company's expense.

To assist the Directors to discharge their duties and responsibilities and to enable them to take informed decisions, the Directors are entitled to obtain independent legal, accounting, or other professional advice at the Company's expense. The Board may conduct or direct any investigation to fulfil its responsibilities and can retain, at the Company's expense, any legal, accounting, or other services that it considers necessary from time to time to fulfil its duties.

This is provided for in the Board Charter, the Terms of Reference of each Committee, and the letter of appointment for each Director.

Governance audit

The CMA Code provides that issuers of securities to the public are required to undertake periodic governance audits. Following extensive stakeholder consultation to consider the frequency, cycle, cost and scope of governance audits, the Capital Markets Authority (CMA) advised all issuers of a revision in the cycle of governance audits to at least once every two years with the option of CMA increasing or decreasing this frequency on a risk-based approach.

The Company undertook a governance audit which was conducted by Dorion Associates LLP who issued an unqualified report. The Governance Audit Report was adopted by the Board of Directors on 28 October 2021. The audit confirmed that the Board has put in place a sound governance framework, which follows the legal and regulatory framework and in line with global best governance practices for the interest of stakeholders. The Board and various Committees continue to implement the recommendations from the Governance audit. The next governance audit will be undertaken for the financial year 2023/2024.

Legal and compliance audit

In compliance with the CMA Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015, an internal Legal and Compliance Audit was carried out for the year ended 31 March 2023 with the objective of ascertaining the level of adherence to applicable laws, regulations, and standards to deliver long-term value to stakeholders. The findings from the audit confirmed that the Company was generally in compliance with the applicable laws and regulations.

Board evaluation

In line with the provisions of the Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015, the Board undertook an independent annual evaluation of the performance of the Board. This was aimed at enabling the Board, the Committees, and their respective members to gauge their performance and identify areas of improvement. The report is currently under review by the Board.

Corporate Governance Assessment Report

During 2023, the Capital Markets Authority assessed the status of implementation of the CMA Code by the Company for the year ended 31 March 2023. The assessment was based on a review of the following areas: commitment to good corporate governance (leadership rating of 76%); Board operations and control (leadership rating of 84%); rights of shareholders (leadership rating of 87%); stakeholder relations (leadership rating of 87%); ethics and social responsibility (leadership rating of 93%); accountability, risk management and internal control (leadership rating of 90%); transparency and disclosure (good rating of 86%). The overall rating awarded to the Company was a leadership rating of 86% – a testament to the Board's commitment to sound corporate governance practices.

The Company continues to implement the recommendations received from the CMA to improve its level of implementation of the recommendations under the CMA Code.

Directors' shareholding

Directors can purchase or sell shares of the Company in the open market. None of the Directors as at the end of financial year under review held shares in their individual capacity of more than 1% of the Company's total equity.

Directors' personal shareholding in the Company as at 31 March 2024

Name of Director	2024	2023
Peter Ndegwa	6,208,543	895,500
Rose Ogega	2,000	2,000
Karen Kandie	235,800	147,300
Winnie Ouko	101,831	101,831
Dilip Pal	1,342,105	–

Board Committees membership and meeting attendance

Board Committees

The Board has delegated authority to various Board committees to be able to undertake its mandate effectively and efficiently. During the year under review, the Board had five committees: Audit Committee, Risk Environmental and Social Governance Committee, Human Resources Committee, Investment and Innovations Committee and Nominations Committee. Each committee has formal and approved terms of reference that sets out the roles and responsibilities and the procedural rules that apply to the committee.

Each Committee periodically reviews its terms of reference to ensure that they are in line with current legislation and best practice. The committees are provided with all necessary resources to enable them to undertake their duties effectively.

Audit Committee

Membership

As at 31 March 2024, the Audit Committee consisted of three independent Directors. The committee continued to report to the Board after every committee meeting. The Committee was chaired by an Independent Non-Executive Director with at least one committee member holding a professional qualification in audit or accounting and in good standing with the relevant professional body.

Members

Rose Ogega – Chairperson
Winnie Ouko
Ory Okolloh
Raisibe Morathi
Dr Karen Kandie

Secretary of the Committee: Linda Wambani-Anene

Permanent invitees:

Peter Ndegwa – Chief Executive Officer
Dilip Pal – Chief Finance Officer
Nicholas Mulila – Chief Corporate Security Officer
Denish Osodo – Director, Internal Audit
Ernst & Young – External Auditor

Functions of the Audit Committee

The Audit Committee meets at least four times a year to discuss audit matters to fulfil its oversight responsibility, the committee receives reports from Management, the internal auditor, and external auditors, as appropriate.

The responsibilities and role of the Audit Committee include:

- Monitoring the integrity of the financial statements, including the review of significant financial reporting judgements.
- Providing advice to the Board on whether the Annual Report is fair, balanced, and understandable and the appropriateness of the long-term viability statement.
- Reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the external audit.
- Reviewing the system of internal financial control and compliance.
- Monitoring the activities and review the effectiveness of the Internal Audit function.