

**Safaricom PLC**  
**Board Innovations and Investments Committee**  
**Terms of Reference**

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## 1) Objective

The Board Innovations and Investments Committee ("BIIC" or "the Committee") is a Board Committee. The primary objective of the Committee is to assist the Board of Directors in fulfilling its responsibility of oversight and effective governance by reviewing and overseeing key investments, long term funding requirements and material investment/innovations Projects. In addition, the Committee will be charged with proactively fostering an innovation culture for the Company.

The principal objectives of the Committee are as follows:

1. To review and oversee the development and implementation of the Company's growth strategies and make recommendations for approval to the Board with respect to investments, acquisitions, and divestures.
2. To review and oversee material investments, for instance and not limited to infrastructure, regional expansions, spectrum, and license acquisition opportunities.
3. To oversee the development and evaluation of new initiatives directed at continuous improvement and innovation.
4. To oversee Partnership and Joint Venture engagements to ensure long term value creation for the benefit of customers, shareholders, employees, and other stakeholders.
5. To assist the Board in the review of strategic equity investments, the procurement of term funding and issuance of debt instruments and oversee the execution of these transactions.
6. To oversee the development and implementation of any early-stage venture investment programmes, and review material investment opportunities.
7. To ensure the Company adopts meaningful sustainability initiatives and review their effectiveness and alignment with the Company's purpose.
8. To foster and ensure the Company embeds an Innovation culture and reviews investment requests for innovation and resultant success and learnings from these initiatives.
9. To provide guidance to Management with respect to strategic opportunities and risk mitigation measures for consideration.

## 2) Membership

- a) The Committee shall consist of at least five non-executive Directors with at least two independent Directors who shall report to the Board. The members of the Committee shall be appointed by the Board of Directors.
- b) Appointments of Independent Directors to the Committee shall be for a period of up to three years, which may be extended for an additional term of three-years, as long as members continue to be independent.
- c) The key attributes of committee members shall include the following:
  - i) broad business knowledge relevant to the Company's business.
  - ii) keen awareness of the interests of the investing public; and
  - iii) objectivity in carrying out their mandate without any conflict of interest.
- d) The Chairman of the Committee shall be a non-executive Director who is not the Chairman of the Board of Directors. The Chairman of the Board shall not be a member of the Committee.
- e) The Board of Directors shall appoint the Committee Chairman. In the absence of the Committee Chairman, the remaining members present of the Committee shall elect one of themselves to chair the meeting.
- f) The Company Secretary of the Board or any other person designated as to act as Company Secretary, shall act as the secretary of the Committee.
- g) The following shall be permanent invitees to the Committee meetings:
  - The Chief Executive Officer.
  - The Chief Finance Officer; and
  - The Chief Business and Development Officer

Other non-members may be invited to attend all or part of any meeting as and when appropriate and necessary by virtue of their insights, knowledge, and accountability on the various activities of the Company, and in consultation with the Chairman of the Committee.

## 3) Frequency of Meetings:

- a) The Committee shall meet at least four times in a year, or more frequently at appropriate intervals as it deems necessary to carry out its responsibilities.
- b) The meetings shall be held in person, by video conference and/or other remote meeting technologies agreeable to all the Committee members.

- c) Outside of the formal meeting programme, the committee Chairman, and to a lesser extent, the other committee members, will maintain a dialogue with key individuals involved in the company's governance, with the Board Chairman, the Chief Executive Officer, the Chief Finance Officer and the Chief Business and Strategy Officer.
- d) With the approval of the Committee Chair, special Meetings may be convened to discuss critical innovation and investment related agenda.

**4) Notification of Meetings and Agenda Items**

- a) The Secretary of the Committee shall be responsible for issuing proper notices of meetings, preparation of agenda and circulation of the relevant papers and will ensure that the committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.
- b) Unless otherwise agreed, notice of each meeting together with the agenda and relevant documents to be discussed will be forwarded to each member, and any other invitee required to attend, at least seven (7) days before the date of the meeting.

**5) Attendance at Meetings and Minutes**

- a) Every member has a duty to attend Committee meetings regularly and to effectively participate in the conduct of the business of the Committee.
- b) Every member of the Committee should attend at least 75% of the BIIIC meetings of the Company in any financial year. Attendance is disclosed in the Annual Report.
- c) At a full meeting of the Committee, the members shall review the suitability of a member who has failed to comply with the 75% attendance rule, without a compelling reason.  
The quorum necessary for meetings of the Committee shall be any four members of the Committee. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- d) The Committee shall adopt resolutions by a simple majority of votes of all members of the Committee.
- e) Video conferencing or such other remote conference solution will be used to hold meetings where doing so would not jeopardize or prejudice the agenda of the meeting or expected deliberations.
- f) The Committee Secretary shall be responsible for keeping minutes, which provide an accurate record of the names of all persons present, deliberations and resolutions of all Committee Meetings, including recording the names of those present and in attendance.
- g) Draft minutes of the committee meetings shall be agreed with the committee Chairman and then circulated promptly to all members of the committee and the invitees to the Committee unless it would be inappropriate to do so in the sole opinion of the committee Chairman.
- h) The minutes of the Meetings shall be considered at the next meeting, approved, and signed by the Chairman of the meeting.

**6) Roles and Responsibilities**

The roles and responsibilities of the Committee with respect to Investments shall be as follows:

- a) To evaluate and recommend contemplated investments to the Board, and regularly review their performance.
- b) To review investment plans, policies, and strategies, aligned to the financial needs and circumstances of the Company.
- c) To undertake periodic reviews/monitoring of the Company's strategic plans, capital adequacy assessment and planning, business performance and operational strategies.
- d) To approve all equity investments into key investment initiatives and approve the acquisition of any term funding by the Company and make recommendations to the Board.
- e) To monitor the progress of key investment projects approved by the committee, review, and make recommendations to the Board concerning any contracts or other transactions on consulting arrangements.
- f) To set policy and grant authority for short-term, mid, and long-term investments and financing decisions.
- g) Carry out any other related function as delegated by the Board.

The roles and responsibilities of the Committee with respect to its Innovation mandate shall be as follows:

- a) Define, monitor, and review the innovation strategy, roadmap, policies, and procedures, and recommend them to the Board for approval.
- b) Align innovation strategies and goals to the overall Strategy of the Company.
- c) Promote a culture that encourages and maintains innovation in the Company, particularly allowing for measured and informed risk taking.
- d) Proactively and continuously oversee the progress, changes, and growth of innovation and transformative related initiatives, goals, plans, and objectives.

- e) Recommend to the Board for approval a budget intended to promote innovation, and to provide oversight of Management's implementation of the allocated resources.
- f) Conduct periodic reviews of innovation initiatives and develop a framework of what success will look like, lessons learnt and recommend changes for adoption to ensure future success.

**7) Reporting Responsibilities**

- a) The Committee Chairman shall report to the Board of Directors with respect to the proceedings of the Committee at the next Board meeting.
- b) The Committee shall submit its recommendations to the Board for consideration and action as appropriate within its oversight authority, and where action or improvement is needed.
- c) The Committee Chairman shall facilitate the annual disclosure by the Board of the activities of the Committee including the committee's composition, the number of Committee meetings held and details of attendance at the meetings.

**8) Conflict of Interest**

- a) Members of the Committee will not participate in discussions and will not vote on any issue in respect of which there is an actual or perceived conflict of interest.
- b) Members will be required to declare any interest that could constitute a real, potential, or perceived conflict of interest with respect to their role in the affairs of the Committee.
- c) The declaration must be made on appointment to the Committee and in relation to specific agenda items at the onset of each Committee meeting and will be updated as necessary.

**9) Review of Terms of Reference**

- a) These Terms of Reference set out a framework of corporate governance structures and principles for the Committee and shall be reviewed by the Committee every two years, or at such other time as may be deemed necessary to ensure it remains relevant, objective, and practical to reflect significant changes affecting the Company and its operating environment.
- b) Any proposed changes to these Terms of Reference shall be submitted to the Board of Directors for approval.
- c) The Board of Directors may conduct its own external review of the efficacy of the Committee and its Terms of Reference on an annual basis.

**10) Authority**

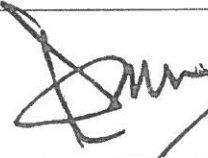
The Committee is authorised to:

- a) Undertake any action necessary to realize its mandate as outlined within these terms of reference or as required by the law, regulations, or any other applicable authority.
- b) Access any information and training that it needs to fulfil its responsibilities.
- c) Question and/ or seek any information it requires from any employee of the Company as and when required to effectively perform its duties.
- d) Invite, through the Chairman of the Committee, any other Director, member of Management, member of staff or any other person to attend and participate in a meeting as may be deemed necessary for the effective discharge of the Committee's duties.
- e) Obtain, at the Company's expense, external legal or other independent professional advice / assistance on any matter within its scope of duties and responsibilities.

**Schedule of Committees' Terms of Reference Review**

Date	Action Taken
25 <sup>th</sup> January 2024	Terms of Reference Reviewed by the Committee
21 <sup>st</sup> February 2024	Terms of Reference Reviewed by the Board

## Board Approval

Name	Signature
<b>Name :</b> Dr (Eng.) John Mosonik <b>Designation :</b> Chairperson – Board Innovations and Investment Committee	 18.06.2024
<b>Name:</b> Adil Arshed Khawaja <b>Designation:</b> Chairperson- Safaricom PLC Board	