Kapruka Holdings PLC

Policy on Board Committees

Objective:

To delegate specific responsibilities to Board committees to enhance the efficiency and effectiveness of the Board of Directors, ensuring focused oversight in critical areas.

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1. Establishment and Function of Committees

1.1. Establishment:

- The Board of Directors shall establish committees to delegate specific responsibilities and enhance governance practices.
- Each committee shall have a clearly defined mandate, scope, and written charter approved by the Board.

1.2. Function:

- Committees shall operate under the authority of the Board and report their activities and recommendations regularly.
- Each committee shall review its charter annually and propose any necessary amendments to the Board.

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2. Key Committees

2.1. Nominations and Governance Committee:

Composition:

- The committee shall consist of a minimum of three directors, including at least two independent directors.
- The Chairperson of the committee shall be an independent director.

Responsibilities:

- Evaluate and recommend candidates for Board appointments and reappointments.
- Oversee the development and implementation of corporate governance policies and practices.

- Ensure that the Board maintains an appropriate balance of skills, experience, and diversity.

Meetings:

- The committee shall meet at least twice a year or as required.

2.2. Remuneration Committee:

Composition:

- The committee shall consist of a minimum of three directors, including at least two independent directors.
- The Chairperson of the committee shall be an independent director.

Responsibilities:

- Develop and recommend remuneration policies for executive directors and senior management.
- Ensure remuneration packages are aligned with performance, market standards, and the company's strategic goals.
- Oversee the implementation of incentive plans and equity-based compensation programs.

Meetings:

- The committee shall meet at least twice a year or as required.

2.3. Audit Committee:

Composition:

- The committee shall consist of a minimum of three directors, with a majority being independent directors.
- At least one member shall have recent and relevant financial experience.

Responsibilities:

- Monitor the integrity of the company's financial statements and financial reporting process.
- Oversee the effectiveness of the company's internal control systems and risk management framework.

- Review and recommend the appointment, re-appointment, or removal of the external auditors.
- Ensure compliance with applicable laws, regulations, and internal policies.

Meetings:

- The committee shall meet at least quarterly or as required.

2.4. Related Party Transactions Review Committee:

Composition:

- The committee shall consist of a minimum of three directors, with a majority being independent directors.

Responsibilities:

- Review and approve related party transactions to ensure they are conducted on an arm's length basis and in the best interest of the company and its shareholders.
- Ensure that related party transactions are disclosed in accordance with applicable accounting standards and regulatory requirements.

Meetings:

- The committee shall meet at least twice a year or as required.

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3. Committee Operations

3.1. Agendas and Materials:

- The Chairperson of each committee, in consultation with the committee members and relevant executives, shall set the agenda for each meeting.
- Committee materials shall be distributed in advance to allow members sufficient time to review and prepare.

3.2. Minutes:

- Minutes of each committee meeting shall be accurately recorded and distributed to all committee members.
- Minutes shall be approved at the subsequent committee meeting and retained as part of the company's official records.

3.3. Reporting:

- Each committee shall report its activities and recommendations to the Board after each meeting.
- Committees shall provide an annual report to the Board summarizing their activities and achievements during the year.

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4. Performance Evaluation

4.1. Committee Evaluations:

- Committees shall conduct an annual self-assessment to evaluate their performance and effectiveness.
- Feedback from the evaluations shall be used to identify areas for improvement and inform the committee’s future activities.

4.2. Evaluation Process:

- The Nominations and Governance Committee shall oversee the evaluation process for all Board committees.
- Evaluation results shall be discussed with the full Board to ensure alignment with the company’s strategic goals.

Compliance and Review

5.1. Compliance:

- This policy shall comply with the CSE Listing Rules and other relevant regulations.
- The Board shall review this policy annually to ensure it remains effective and aligned with regulatory requirements and best practices.

5.2. Review and Amendments:

- The Nominations and Governance Committee shall review the policy and recommend any amendments to the Board for approval.
- Any changes to the policy shall be communicated to all directors and incorporated into the company’s governance framework.