KENYA PIPELINE COMPANY PLC

"Africa's Premier Energy Partner"

BOARD CHARTER

Approved by the Board of Directors

At the Meeting held on the (Day) of (Month) 2026

Signed for and on Behalf of the Board of Directors

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Board Chairperson

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PART A - PRELIMINARY MATTERS

1. INTRODUCTION AND GOVERNANCE PHILOSOPHY

1.1. Background and Status of the Company

1.1.1. Kenya Pipeline Company PLC ("KPC" or the "Company") is a public limited liability company incorporated in the Republic of Kenya under the Companies Act, 2015 (Cap. 486 Laws of Kenya) (the "Companies Act") and whose ordinary shares are listed on the Main Investment Market Segment of the Nairobi Securities Exchange (the "NSE").

1.1.2. Following the offer for sale and listing of the Company's shares pursuant to the Privatization Act and the Information Memorandum dated 17 January 2026 (as supplemented), the Government of Kenya's shareholding has been diluted and the Company has transitioned from a state corporation to a commercially driven listed issuer regulated by the Capital Markets Authority (the "CMA") and the NSE.

1.1.3. KPC remains a strategically significant infrastructure and energy enterprise responsible for the transportation, storage, distribution and handling of petroleum and related products in Kenya and the wider East and Central African region. The Board accordingly acknowledges that the Company operates within the context of heightened public interest, regulatory scrutiny, environmental sensitivity, national energy security and stakeholder accountability.

1.1.4. This Board Charter (the "Charter") was adopted by the Board of Directors of the Company (the "Board") in furtherance of its commitment to the highest standards of corporate governance and is to be read together with the Memorandum and Articles of Association of the Company (the "MemArts"), the Companies Act, the Capital Markets Act (Cap. 485A Laws of Kenya) (the "Capital Markets Act"), the Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023 (the "POLD Regulations"), the Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015 (the "CMA Code") and the Listing Rules and continuing obligations of the NSE (the "NSE Listing Rules").

1.2. Purpose and Objectives of the Charter

1.2.1. The purpose of this Charter is to establish, in a single instrument, the governance framework, authorities, responsibilities, accountability, procedures and conduct standards governing the Board, its committees, its members, the Company Secretary and the relationship between the Board, management, shareholders and other stakeholders.

1.2.2. This Charter establishes the governance interface between the Board, executive management, shareholders and stakeholders, and articulates the way fiduciary duties, statutory duties and stewardship obligations are discharged.

1.2.3. This Charter sets clear governance standards on nominations and appointments, board independence, diversity and inclusion, succession planning, board evaluation, director development, conflicts of interest, ethical conduct, risk and assurance, sustainability, stakeholder engagement and disclosure.

1.2.4. This Charter operationalizes the framework for effective Board oversight of strategy, performance, capital allocation, risk, internal control, financial integrity, regulatory compliance, sustainability, ethics and accountability across the Company and its subsidiaries (the "Group").

1.2.5. This Charter is a public-facing governance instrument and shall be published on the Company's website in accordance with paragraph 8.4.6 of the Third Schedule to the POLD Regulations and the CMA Code.

1.3. Governance Philosophy and Guiding Principles

1.3.1. The Board exists to provide ethical, strategic and stewardship leadership for the long-term sustainable success of the Company in the interests of its shareholders, having regard to the legitimate interests of employees, customers, suppliers, lenders, communities, regulators and other stakeholders.

1.3.2. Each Director owes fiduciary duties to the Company and shall act in good faith and in the best interests of the Company, irrespective of the manner of, or constituency through which, the Director was nominated, proposed or elected.

1.3.3. Governance at KPC is anchored on the principles of accountability, integrity, transparency, fairness, responsibility, professionalism, independence, sustainability, diversity, ethical leadership and stakeholder inclusivity, drawing upon the CMA Code, the OECD Principles of Corporate Governance, the IFC Corporate Governance Methodology, the King IV Report on Corporate Governance (as persuasive) and the UK Corporate Governance Code (as persuasive).

1.3.4. The governance architecture of the Company is designed to support commercial agility, competitiveness and value creation while maintaining robust accountability, ethical conduct, prudent risk management and disciplined capital allocation.

1.3.5. The Board adopts an "apply and explain" approach to recommended practices in the CMA Code and an "apply or explain" approach where so prescribed and shall disclose in the annual integrated report the extent of the Company's application of, and any departures from, the principles and recommended practices.

1.3.6. The Board commits to operating an effective combined assurance framework, embedding ESG considerations into strategy and decision-making, fostering a strong ethical culture, ensuring effective shareholder engagement and supporting transparent and timely market disclosure.

1.4. Vision, Mission and Core Values

1.4.1. The Board's key role is to provide strategic guidance, leadership and control of the Company by defining and reviewing the Company's strategic direction, objectives and values, while retaining full and effective control over the Company.

1.4.2. In line with the Company's Vision of "Africa's Premier Energy Partner" and its Mission of "Safe delivery of quality and sustainable integrated solutions to our stakeholders with utmost care", the Board shall ensure adherence to the following Core Values:

(a) Collaboration – Working collectively with stakeholders for shared outcomes;
(b) Integrity – Upholding honesty, transparency and ethical conduct at all times;
(c) Diligence – Committing to excellence in the performance of duties;
(d) Innovation – Embracing new thinking and technology in energy solutions;
(e) Safety & Environmental Stewardship – Promoting sustainable environmental stewardship.
(f) Customer Centricity ensuring acute focus on customer needs and expected outcomes delivery.

1.5. Scope and Application

1.5.1. This Charter applies to the Company and, on a 'comply or explain' basis, to each subsidiary, joint venture and associated entity within the Group, taking into account the legal, regulatory and operational context of each such entity.

1.5.2. This Charter is binding on every Director (executive, non-executive and independent), the Company Secretary, members of Board committees and, to the extent applicable, members of executive management when interfacing with the Board.

1.5.3. In the event of any conflict or inconsistency between the provisions of this Charter and (a) any applicable law; or (b) the MemArts, the relevant law or the MemArts shall prevail. In the event of any conflict between this Charter and any subordinate Board policy, terms of reference or delegated authority instrument, this Charter shall prevail unless the Board expressly resolves otherwise.

1.6. Definitions and Interpretation

1.6.1. In this Charter, unless the context otherwise requires, capitalized terms shall bear the meanings ascribed to them in the body of this Charter or in **Schedule 1** (Definitions and Interpretation) hereto. Without limitation, "AGM" means the annual general meeting of the Company; "BAC" means the Board Audit Committee; "BFC" means the Board Finance Committee; "BNRC" means the Board Nominations and Remuneration Committee; "BTC" means the Board Technical Committee; "CEO" means the Managing Director and Chief Executive Officer of the Company; "Chairperson" means the chairperson of the Board; "Director" means a member of the Board; "ESG" means environmental, social and governance; "Group" means the Company and its subsidiaries; "Independent Director" has the meaning given in Section 10 of this Charter and the CMA Code; and "Reserved Matters" means the matters listed in Schedule 3 hereto.

1.6.2. References to statutes and regulations are to such statutes and regulations as amended, supplemented or replaced from time to time. References to "writing" include electronic communications. Headings are for ease of reference only and do not affect interpretation. Words importing the singular include the plural and vice versa, and words importing one gender include all genders. Any reference to "shall" denotes a mandatory governance requirement; "may" denotes a permissive provision; and "should" denotes a recommended practice on an "apply and explain" basis.

2. LEGAL AND REGULATORY FRAMEWORK

2.1. This Charter has been adopted and shall be interpreted and applied consistently with the following and any other legal, regulatory and constitutional instruments, as in force from time to time:

(a) the Companies Act, 2015 (Cap. 486 Laws of Kenya) and the Regulations made thereunder;
(b) the Capital Markets Act (Cap. 485A Laws of Kenya);
(c) the Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023;
(d) the Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015 issued by the CMA;
(e) the NSE Listing Rules and continuing obligations applicable to issuers listed on the Main Investment Market Segment;
(f) the MemArts of the Company,and its subsidiaries,;
(g) the Petroleum Act, 2019, the Energy Act, 2019, the Environmental Management and Co-ordination Act, the Occupational Safety and Health Act, the Data Protection Act, 2019 and all other laws, regulations, directives, codes and policies applicable to the Company's business and listing status; and
(h) authoritative international guidance, including the OECD Principles of Corporate Governance, the IFC Corporate Governance Methodology, the King IV Report on Corporate Governance for South Africa (as persuasive) and the UK Corporate Governance Code (as persuasive).

2.2. In the event of any inconsistency between this Charter and any applicable law, regulation, the MemArts or binding ruling of a competent regulator, the relevant law, regulation, the MemArts or ruling shall prevail.

2.3. The Company Secretary shall maintain an up-to-date register of the regulatory and legal instruments applicable to the Company and shall, at least annually, brief the Board on material legal and regulatory developments and their governance implications.

PART B - BOARD AUTHORITY AND PRINCIPLES

3. STATUS, AUTHORITY AND PURPOSE OF THE BOARD

3.1. Status of the Board

3.1.1. The Board is the principal governance and decision-making organ of the Company and is collectively accountable to shareholders, and answerable to regulators and stakeholders, for the long-term sustainable success, ethical conduct, financial soundness and resilience of the Company.

3.1.2. The Board shall exercise objective and independent judgment on all corporate matters and shall not abdicate its collective responsibility through over-delegation to management or to any committee.

3.2. Source and Scope of Authority

3.2.1. The Board derives its authority from:

(a) the Companies Act and other applicable law;
(b) the MemArts;
(c) shareholder resolutions duly passed at general meetings; and
(d) the regulatory framework administered by the CMA and the NSE.

3.2.2. The Board may exercise all powers of the Company except those reserved by the Companies Act, the MemArts or this Charter to the shareholders in general meeting (see Schedule 3 Part A - Matters Reserved for Shareholders).

3.2.3. The Board may, by resolution, delegate any of its powers to a committee of the Board, to the CEO or to any other officer of the Company subject to the limitations set out in this Charter, the MemArts and applicable law, and subject always to the Board retaining ultimate accountability.

3.2.4. The Board is entitled to all information, explanations, records, opinions and resources reasonably necessary for the discharge of its functions, and may engage independent legal, financial, technical or other professional advisers at the expense of the Company in accordance with the provisions on Board Information, Access Rights and Professional Advice set out in Part G of this Charter.

3.3. General Purpose of the Board

3.3.1. The Board exists to:

(a) set the strategic direction, vision, mission, values and risk appetite of the Company and oversee their effective implementation;
(b) preserve and enhance long-term shareholder value and the financial soundness of the Company;
(c) ensure establishment of staffing and renumeration policy, appoint, oversee, evaluate and where necessary remove the CEO, the Company Secretary and senior executives, and approve executive succession plans;
(d) Establish policies and procedures for effective operations of the company
(e) ensure the effectiveness of the Company's enterprise risk management, internal control, compliance and assurance frameworks;
(f) maintain the integrity of financial reporting, capital allocation and dividend policy;
(g) ensure compliance with all applicable laws, regulations, codes and the MemArts and oversee the Company's relationships with its regulators;
(h) oversee sustainability, ESG performance, health, safety, environment, security, human rights, ethical conduct and stakeholder stewardship; and
(i) safeguard the reputation, brand and social license of the Company through the cultivation of an ethical corporate culture, transparent disclosure and constructive engagement with shareholders and stakeholders.

4. CORPORATE GOVERNANCE PRINCIPLES

4.1. Accountability

The Board acknowledges its accountability to shareholders and its duty of stewardship toward stakeholders, the public and regulators, and shall ensure that mechanisms are in place to enable challenge, scrutiny and informed decision-making.

4.2. Integrity

Directors and executives shall conduct themselves honestly, fairly, ethically and with integrity in all dealings on behalf of the Company, complying with the Company's Code of Ethics and Conduct and the standards applicable to directors and officers/officials of listed companies and licensees under Kenyan law.

4.3. Transparency

The Company shall maintain timely, accurate, balanced and understandable disclosure to the market in accordance with the continuous disclosure obligations under the CMA Code, the POLD Regulations and the NSE Listing Rules.

4.4. Independence

The Board shall maintain an appropriate balance of executive, non-executive and independent directors and avail an environment that ensures the members are critical and independent of one another so as to promote independent and objective judgement. Such environment shall also ensure no individual or small group dominates Board decision-making and objective challenge of management is assured.

4.5. Merit and Competence

Appointments to the Board and senior management shall be based on leadership competence, integrity, experience, independence, diversity and alignment with the Board Skills Matrix, relevant job requirements for specific positions and the strategic needs of the Company.

4.6. Sustainability and Stakeholder Inclusivity

The Board shall promote the long-term sustainability and resilience of the Company by integrating ESG, climate, human rights, safety, community and stakeholder considerations into strategy, risk management and reporting.

4.7. Fairness

The Board shall ensure equitable treatment of all shareholders (including minority and foreign shareholders) and shall facilitate the effective exercise of shareholder rights.

4.8. Responsibility

The Board accepts responsibility for the affairs of the Company and shall ensure that the Company acts as a responsible corporate citizen and complies with the rule of law.

4.9. Effective Leadership

The Board shall provide ethical, effective and visionary leadership and shall set the tone at the top, modelling the values and behaviour expected throughout the organization.

4.10. Risk and Opportunity Governance

The Board shall govern risk in a manner that supports the Company in setting and achieving strategic objectives, embedding combined assurance and continuous improvement.

PART C - ROLE OF THE BOARD, RESERVED MATTERS AND DELEGATION OF AUTHORITY

5. ROLE AND RESPONSIBILITIES OF THE BOARD

5.1. Strategic Leadership and Performance Oversight

(a) approve the vision, mission, values, corporate strategy, business model and long-term strategic plan of the Company and ensure their alignment with the interests of shareholders and other stakeholders;

(b) approve the annual business plan, the annual budget, the medium-term financial plan and the capital expenditure plan, and review their implementation on at least a quarterly basis;

(c) monitor the implementation of strategy and the performance of the CEO and management against approved objectives, key performance indicators and strategic milestones;

(d) review operational, financial, safety, environmental and ESG performance on a quarterly basis;

(e) oversee capital allocation decisions including investment, divestment, financing, dividend policy and the maintenance of an optimal capital structure;

(f) approve major capital expenditure, acquisitions, disposals, joint ventures, strategic partnerships and infrastructure projects in excess of management's delegated authority limits;

(g) oversee the Company's digital transformation, technology strategy, innovation agenda and the protection of critical infrastructure assets.

5.2. Governance, Leadership, Talent and Culture

(a) appoint, oversee, evaluate, remunerate and where necessary remove the CEO and ratify the appointment of other members of the Executive Committee;

(b) approve and oversee implementation of robust succession plans for the Chairperson, the CEO, Committee Chairs, Independent Directors and critical executive positions, including emergency succession arrangements;

(c) maintain effective governance structures, delegated authority frameworks, committee structures and Board procedures;

(d) set the tone at the top, oversee corporate culture, ethical conduct, the Code of Ethics and Conduct, anti-bribery and corruption programmes and the speak-up culture;

(e) oversee talent management, leadership development, diversity, equity and inclusion and the human capital strategy of the Company; and

(f) oversee reputation management and stakeholder trust, recognizing the strategic importance of the Company's public profile.

5.3. Risk, Internal Control and Assurance

(a) approve the enterprise risk management framework and oversee the identification, assessment, mitigation, monitoring and reporting of principal risks (including strategic, financial, operational, compliance, technology, cybersecurity, reputational, climate, ESG and geopolitical risks);

(b) determine the Company's risk appetite, risk tolerance levels and risk capacity, and review them at least annually;

(c) oversee the design, implementation and effectiveness of the system of internal control, including financial, operational, compliance, technology, cybersecurity, fraud and ESG controls;

(d) oversee the Company’s anti-fraud, anti-bribery, anti-corruption, whistleblowing and ethics frameworks and confirm their effectiveness annually;
(e) oversee cyber security, information security, data privacy, data governance and resilience of critical infrastructure; and
(f) approve the combined assurance plan (encompassing management, internal audit, external audit, regulatory and specialist assurance providers) and monitor its execution and outcomes.

5.4. Financial Oversight and Reporting

(a) approve the annual and half-year financial statements and accompanying disclosures prior to publication;
(b) oversee the integrity, accuracy, fairness and timeliness of financial reporting and ensure compliance with IFRS Accounting Standards and applicable reporting requirements;
(c) oversee the independence, objectivity, effectiveness, performance and remuneration of the external auditor and recommend their appointment, reappointment, remuneration and removal to shareholders;
(d) monitor solvency, liquidity, treasury, funding, capital structure, dividend policy and going concern; and
(e) approve the annual integrated report, including sustainability disclosures aligned with the IFRS Sustainability Disclosure Standards (S1 and S2) and other applicable sustainability reporting frameworks.

5.5. Sustainability, ESG, Health, Safety, Environment and Stakeholders

(a) approve the Company’s sustainability strategy and ESG framework and oversee performance against ESG targets, including climate-related risks and opportunities;
(b) oversee the Company’s health, safety, environment, security and process safety performance and the protection of critical petroleum infrastructure;
(c) oversee stakeholder engagement strategies including engagement with shareholders, regulators, customers, suppliers, employees, lenders, communities, government and the media; and
(d) oversee the Company’s corporate social investment programmes, human rights commitments, community impact and contributions to national energy security and regional integration.

5.6. Crisis Governance, Business Continuity and Resilience

The Board shall oversee preparedness for, and the Company’s response to, operational, environmental, cybersecurity, regulatory, geopolitical, financial and reputational crises, including the maintenance of business continuity plans, disaster recovery arrangements, incident response protocols, crisis communications and post-incident reviews.

5.7. Regulatory and Compliance Oversight

The Board shall oversee compliance with all applicable laws, regulations, codes and license conditions, the management of relationships with regulators, the timely remediation of regulatory findings and the maintenance of a culture of compliance.

6. MATTERS RESERVED FOR SHAREHOLDERS

6.1. The following matters are, in accordance with the Companies Act, the MemArts, the CMA Code and the POLD Regulations, reserved to the shareholders of the Company in a general meeting (and may not be exercised by the Board) and are set out in greater detail in Schedule 3 Part A:

(a) alterations to the MemArts, including any change of name, objects, share capital structure or constitutional rights attaching to shares;

(b) the appointment, election, re-election and removal of Directors and the determination of the maximum number of Directors;

(c) the approval of Directors' fees and the remuneration policy applicable to non-executive Directors;

(d) the declaration of final dividends (other than interim dividends declared by the Board) and approval of any scrip dividend, capitalization or bonus issue;

(e) the approval of significant mergers, schemes of arrangement, takeovers, demergers, schemes of reconstruction, related party transactions and any other transactions requiring shareholder approval under the Companies Act, the POLD Regulations or the NSE Listing Rules;

(f) any reduction, alteration, consolidation, sub-division, redemption, buy-back or repurchase of share capital and the issuance of new equity securities beyond the authority delegated to the Board;

(g) the voluntary winding-up of the Company, the de-listing of the Company's shares from the NSE or any change in its status as a public listed company;

(h) the appointment, reappointment, remuneration and removal of the external auditor on the recommendation of the BAC;

(i) the adoption of, and any material amendments to, share incentive schemes, employee share ownership plans and long-term incentive plans;

(j) the authorization of political donations and other matters required by law to be approved by shareholders;

(k) such other matters as the Companies Act, the MemArts, the POLD Regulations, the CMA Code, the NSE Listing Rules or any other applicable law requires to be reserved to shareholders.

7. MATTERS RESERVED FOR THE BOARD

7.1. Without limiting the generality of the Board's authority, the following matters are reserved to the Board (and may not be delegated to management or to any single Director except to the extent expressly permitted by the Board), with a more detailed schedule set out in Schedule 3 Part B:

(a) approval of the corporate strategy, vision, mission, values, business plan, annual budget, procurement or asset disposal plans and medium-term financial plan;

(b) approval of all major governance policies, including the Code of Ethics and Conduct, Conflicts of Interest Policy, Insider Trading Policy, Whistleblowing Policy, Anti-Bribery and Corruption Policy, Diversity and Inclusion Policy, Sustainability Policy, Risk Management Policy, Information Technology Security Policy and Stakeholder Engagement Policy;

(c) appointment, performance evaluation, remuneration, succession and removal of the CEO and, on the recommendation of the BNRC and the CEO, the appointment, remuneration and removal of other members of the Executive Committee;

(d) appointment, performance evaluation, remuneration and removal of the Company Secretary;

(e) determination of the risk appetite and risk tolerance and approval of the enterprise risk management framework;
(f) approval of major capital expenditure, Technology strategy, IT - OT convergence investments, acquisitions, disposals, joint ventures, strategic partnerships and infrastructure projects in excess of management's delegated authority limits (as set out in the Delegation of Authority Framework in Schedule 4);
(g) approval of debt issuance, bank facilities, guarantees, indemnities, hedging arrangements and any financing transactions in excess of management's delegated authority limits and approval of the treasury policy;
(h) approval of the annual, half-year and quarterly financial statements, the integrated report, sustainability disclosures, dividend recommendations and material market announcements;
(i) approval of executive succession plans, talent management strategy and the leadership pipeline;
(j) approval of related party transactions in accordance with Part XIV of the Companies Act, the POLD Regulations and the CMA Code;
(k) approval of the Company's overall organizational structure, including the establishment of subsidiaries, divisions or major business units;
(l) establishment of Board committees, approval of their terms of reference, composition, chairpersons and annual work plans;
(m) approval of the Board calendar, annual work plan, succession plan and Board evaluation methodology;
(n) approval of the commencement, defense or settlement of material litigation, arbitration, investigations or regulatory proceedings in excess of management's delegated authority;
(o) approval of any change in significant accounting policies and material changes to the Company's tax position; and
(p) approval of any matter that is novel, contentious, of strategic importance, material to the Company's reputation or otherwise outside the ordinary course of business.

8. DELEGATION OF AUTHORITY AND RELATIONSHIP WITH MANAGEMENT

8.1. Principles of Delegation

8.1.1. The Board may delegate any of its powers, authorities or discretions (except for the Reserved Matters) to Board committees, the CEO or, through the CEO, to other officers of the Company, subject always to the Board's retained oversight, accountability and ability to revoke any such delegation at any time.

8.1.2. Every delegation shall be in writing, shall specify the scope, authority limits, reporting requirements and duration of the delegated authority, and shall be set out in or referenced by the Delegation of Authority Framework approved by the Board (Schedule 4).

8.1.3. The Board shall review the Delegation of Authority Framework at least annually, and more frequently if warranted by changes in strategy, organizational structure, risk profile or regulatory requirements.

8.2. Role of Management

8.2.1. Management, under the leadership of the CEO, is responsible for the day-to-day management of the Company, the development and implementation of strategy, operational and financial performance, compliance with laws and policies, risk management, talent management, stakeholder engagement and the preparation of accurate, comprehensive and timely Board information.

8.2.2. The CEO shall raise with the Board any matter of significance affecting the Company which requires the Board's attention, including any matter exceeding the delegated authority of management, any material risk, any material regulatory issue and any matter that is novel or contentious.

8.2.3. Management shall not enter into any contract or commitment outside its delegated authority or in breach of any policy or limit approved by the Board and shall maintain an escalation register tracking matters escalated to the Board or its committees.

8.3. Escalation Protocols and Restrictions on Delegation

8.3.1. Notwithstanding any delegation, the Board retains ultimate accountability for the affairs of the Company and for governance, strategic direction, risk and integrity oversight, approval of financial statements, capital allocation, executive appointments and all other Reserved Matters.

8.3.2. Where a matter is of strategic, financial, regulatory, reputational or ethical significance, the CEO or any committee Chairperson shall escalate the matter to the Chairperson, who shall determine whether it should be considered by the full Board, addressed at a Committee or convened as an emergency meeting.

8.3.3. Examples of escalation triggers include (without limitation): material breaches of law, regulation or license; material litigation or investigation; cybersecurity or data breach incidents above defined thresholds; material safety, environmental or process safety incidents; material financial restatements; material adverse media coverage; significant deviations from budget or strategy; and any other matter likely to be material to investors.

PART D - BOARD COMPOSITION, INDEPENDENCE, DIVERSITY AND APPOINTMENT

9. BOARD COMPOSITION AND STRUCTURE

9.1. Board Size

The Board shall be optimally constituted based on the size and nature of the company's business and its subsidiaries. It shall comprise not fewer than seven (7) and not more than eleven (11) Directors, or such other number as may be determined by the Board from time to time in accordance with the MemArts and as appropriate for the size, complexity and risk profile of the Company. The optimal size shall be reviewed annually by the BNRC.

9.2. Composition Principles

The composition of the Board shall reflect:

(a) a majority of non-executive Directors;

(b) at least one-third Independent non-Executive Directors of the total number of Board members, in accordance with the CMA Code and the POLD Regulations;
(c) a balance of skills, experience, independence, diversity and tenure;
(d) sectoral expertise relevant to energy, infrastructure, petroleum, finance, governance, audit, risk, technology, sustainability, legal and regulatory matters; and
(e) gender, age, professional and experiential diversity in line with Section 11

9.3. Categories of Directors

The Board shall comprise: (a) executive Directors (ordinarily, only the CEO); (b) non-executive Directors who are not Independent; and (c) Independent non-executive Directors meeting the criteria set out in Section 10.

9.4. Executive Representation

The CEO shall ordinarily be the sole executive Director. The Board may, where appropriate, appoint one additional executive Director (such as the Chief Finance Officer) where the size and complexity of the business so warrants.

9.5. Chairperson and Separation of Roles

The Chairperson shall be a non-executive Director, in accordance with paragraph 2.3.4 of the CMA Code and Regulation 8.16.1 of the Third Schedule to the POLD Regulations and shall not concurrently hold the office of CEO. As a matter of best practice, the Chairperson should preferably be an Independent Director.

9.6. Tenure

Subject to the MemArts and applicable law, each non-executive Director shall serve for an initial term of three (3) years and may be re-elected for further terms, provided that the cumulative tenure of an Independent Director shall not exceed six (6) years, in accordance with the definition of 'independent director' in Regulation 2 of the POLD Regulations. Upon completion of six (6) years, the Director shall be re-designated as a non-executive Director (non-independent) and may continue to serve on the Board subject to re-election by shareholders.

9.7. Retirement by Rotation

At each AGM, one-third of the Directors (or the number nearest one-third) shall retire by rotation in accordance with the MemArts and shall be eligible for re-election. The Directors to retire by rotation shall be those who have been longest in office since their last election.

9.8. Sectoral, Functional and Competence Requirements

The Board shall, at all times, include Directors with appropriate competence in (without limitation): petroleum, energy and infrastructure operations; HSE and process safety; finance, audit and risk; capital markets and corporate finance; legal, governance and regulatory affairs; ESG, sustainability and climate; technology, cyber security and digital transformation; human capital and leadership; strategy and commercial; and public policy and stakeholder relations.

9.9. Financial Literacy

All Directors shall be financially literate, capable of understanding and interrogating the Company's financial statements, key financial ratios and business model. As per paragraph 8.11 of the Thirteenth Schedule of the POLD Regulations 2023, at least one third of the members of the Audit Committee shall be independent directors. In addition, at least one member of the BAC shall be a qualified accountant or hold professional qualifications in audit, accounting or financial management and be in good standing with the applicable professional body (such as ICPAK,ICPAU,ICPAR or IIA Kenya/ Uganda/ Rwanda) in accordance with paragraph 8.12 of the Thirteenth Schedule to the POLD Regulations.

9.10. Digital, Technology and ESG Competence

The Board shall maintain collective competence in digital, cyber security, data governance, ESG and climate-related matters and shall periodically refresh this competence through targeted appointments and continuous professional development.

10. INDEPENDENCE FRAMEWORK

10.1. Definition

An Independent Director is a non-executive Director who satisfies the independence criteria set out in paragraph 2.4 of the CMA Code and Regulation 2 of the POLD Regulations and who, in the reasoned judgment of the Board, is free from any business, family, financial, professional or other relationship that could materially interfere, or be perceived to interfere, with the exercise of objective and independent judgment.

10.2. Independence Criteria

A Director shall not be regarded as Independent if the Director (or any person closely connected to the Director):

(a) is or has been within the preceding three (3) years an employee or executive of the Company;
(b) has, or has had within the preceding two (2) years, a material business relationship with the Group as a partner, shareholder, director or senior employee of a body that has such a relationship;
(c) has received or receives additional remuneration from the Group, apart from a Director's fee, participates in the Company's share option or performance-related pay scheme, or is a member of the Group's pension scheme;
(d) has close family ties with any of the Group's advisers, Directors or senior employees;
(e) holds cross-directorships or has significant links with other Directors through involvement in other companies or bodies;
(f) represents a significant shareholder;
(g) has served on the Board for more than six (6) cumulative years from the date of first election; or
(h) has any other relationship which the Board determines, in its reasoned judgment, is likely to affect the Director's independence.

10.3. Cooling-off Periods

A former executive Director, Company Secretary, partner of the external auditor, or material adviser to the Company shall not be eligible for appointment as an Independent Director until the expiry of a cooling-off period of at least three (3) years from the cessation of the relevant relationship.

10.4. Independence Testing and Annual Confirmation

Each Independent Director shall provide an annual written confirmation of independence to the BNRC, supported by a disclosure of all material interests, directorships, shareholdings and relationships. The BNRC shall annually assess the independence of each Director, taking into account both form and substance, and shall report its findings to the Board for confirmation.

10.5. Disclosure

The Company shall disclose in the annual integrated report: the names of all Independent Directors; the basis upon which the Board has determined their independence; any material relationships or considerations that were assessed; and where any Director has completed six (6) years of service and has been re-designated as a non-executive Director (non-independent), that re-designation and the date thereof.

10.6. Cross-Directorships and External Commitments

No Director shall hold directorships in more than three (3) public listed companies (including this Company) at any one time, in accordance with paragraph 8.14 of the Third Schedule to the POLD Regulations. Any change in external directorships shall be disclosed to the Chairperson and the Company Secretary.

10.7. Lead Independent Director

Where the Chairperson is not an Independent Director, the Board shall, as a matter of best practice, appoint a Lead Independent Director to

(a) provide leadership and advice to the Board when the Chairperson is conflicted;

(b) chair meetings of Independent Directors held without the Chairperson present; and

(c) act as a principal point of contact for shareholders on governance matters not appropriately addressed by the Chairperson or CEO.

11. DIVERSITY, EQUITY AND INCLUSION

11.1. Policy

The Board is committed to building and maintaining a Board and senior leadership team that reflects diversity in gender, age, skills, professional experience, ethnicity, cultural background, cognitive style and perspective. The Board shall adopt and review annually a Board Diversity Policy.

11.2. Gender Diversity

In accordance with the CMA Code and Kenya’s constitutional gender principles, no gender shall constitute more than two-thirds (2/3) of the Board membership. The Board shall set measurable gender diversity targets at Board, committee and executive committee levels and shall disclose progress annually.

11.3. Professional, Cognitive and Experiential Diversity

Nominations shall promote diversity of professional background, sectoral expertise, functional experience, cognitive style and exposure to international and regional markets, having regard to the Board Skills Matrix.

11.4. Age and Generational Diversity

The Board shall, where feasible, comprise Directors representing a range of age cohorts and generational perspectives, balancing the value of experience with the imperative of bringing new and emerging perspectives to the boardroom.

11.5. Inclusion Culture and Accessibility

The Chairperson shall foster an inclusive boardroom culture in which all Directors are heard, respected and able to contribute fully. The Company shall make reasonable accommodations for Directors with disabilities or accessibility requirements.

11.6. Succession Diversity Targets

The BNRC shall ensure that succession planning, talent pipelines and director search processes are designed to advance diversity outcomes at Board, Committee Chair and senior management levels.

11.7. Disclosure

The Company shall disclose annually the composition of the Board by gender, age range, skills, tenure and independence, together with progress against diversity targets.

12. BOARD SKILLS, COMPETENCY AND SUCCESSION PLANNING

12.1. Board Skills Matrix

The BNRC shall maintain and annually update the Board Skills Matrix (in the form set out in Schedule 2), assessing each Director against the competencies, sectoral experience, governance experience and personal attributes required by the Company. The Skills Matrix shall inform all nomination, succession and director development decisions.

12.2. Succession Planning

The Board shall approve, and the BNRC shall maintain and annually review, formal succession plans for:

(a) the Chairperson;
(b) the CEO;
(c) Committee Chairpersons;
(d) Independent Directors; and
(e) the Company Secretary, addressing both planned (orderly) succession and emergency succession scenarios.

12.3. Talent Pipeline

The Board, through the BNRC, shall oversee the talent pipeline for senior executive roles immediately below the CEO, supported by leadership development programmes, mentoring and exposure of high-potential talent to the Board.

12.4. Emergency Succession

The Board shall maintain a confidential emergency succession protocol identifying interim arrangements in the event of the sudden incapacity, departure or removal of the Chairperson or CEO, with the protocol reviewed annually.

13. APPOINTMENT, NOMINATION AND RE-ELECTION OF DIRECTORS

13.1. Nomination Process

The BNRC shall lead a formal, rigorous and transparent process for the identification and nomination of candidates for appointment to the Board, aligned with the Board Skills Matrix, succession plans and diversity objectives, drawing on a diverse pool of candidates and, where appropriate, retaining independent executive search firms.

13.2. Identification and Competency Mapping

Candidates shall be identified by reference to;

(a) the strategic and skills needs of the Board as articulated in the Skills Matrix;
(b) the Company's succession plan;
(c) any specific competencies required to address an identified gap; and
(d) diversity and inclusion objectives.

13.3. Fit-and-Proper Assessment

All candidates shall be subjected to a comprehensive fit-and-proper assessment in accordance with the CMA's Fit and Proper guidelines, including:

(a) integrity, honesty and reputation;
(b) competence, capability and qualifications;
(c) financial soundness;
(d) absence of regulatory sanctions, criminal convictions or insolvency events;
(e) sufficient time and availability; and
(f) absence of disqualifying conflicts.

13.4. Background and Reference Checks

The BNRC may procure background checks, reference verification and litigation/regulatory searches in respect of a candidate, supported by the Company Secretary.

13.5. Independence Assessment

Candidates proposed for appointment as Independent Directors shall be assessed against the independence criteria in Section 10 prior to nomination.

13.6. Regulatory Suitability

All director appointments shall be subject to applicable regulatory clearances, including any "no objection" or fit-and-proper approvals required by the CMA or other regulators.

13.7. Conflict Vetting

The BNRC shall vet each candidate for actual, potential and perceived conflicts of interest and shall require full disclosure of all directorships, shareholdings, business interests and material relationships prior to nomination.

13.8. Shareholder Election

Subject to any casual vacancy appointments by the Board (which shall be ratified at the next AGM), all Directors shall be appointed and re-elected by shareholders in general meeting in accordance with the MemArts and the Companies Act.

13.9. Appointment Letter

Each newly appointed Director shall be issued with a formal letter of appointment in the form contemplated by Schedule 8, setting out the terms of appointment, duties, time commitment expectations, remuneration, training entitlements, confidentiality obligations and termination provisions.

13.10. Induction and Onboarding

New Directors shall undergo a formal induction programme (Schedule 11) within ninety (90) days of appointment, covering the Company's business, strategy, governance, financials, key risks, regulatory framework, ESG agenda, technology, key sites, executive team and material policies.

13.11. Continuing Professional Development

Directors shall, in accordance with the CMA Code and the POLD Regulations, undertake not less than twelve (12) hours of continuous professional development annually, and newly appointed Directors shall complete a recognized Director Training Programme within six (6) months of appointment.

13.12. Re-election

Re-election of Directors is not automatic. The BNRC shall, prior to recommending any Director for re-election, evaluate the Director's continued contribution, attendance, performance, independence (if applicable), conflicts and ongoing fit-and-proper status.

13.13. Resignation and Removal

A Director may resign on written notice to the Chairperson and the Company Secretary. The Board may, on the recommendation of the BNRC, recommend to shareholders the removal of a Director in accordance with the Companies Act and the MemArts where the Director ceases to be fit and proper, is in material breach of this Charter or otherwise unable to discharge their role.

14. RESERVED SHAREHOLDER APPOINTMENT RIGHTS

14.1. Where any shareholder has a contractual or constitutional right to nominate or appoint a Director (including, for so long as it retains a qualifying shareholding, the Government of Kenya through the National Treasury and the Government of Uganda through the Uganda National Oil Company), the Director so nominated shall, upon appointment, owe fiduciary duties to the Company as a whole and not to the nominating shareholder.

14.2. Such Directors shall comply with this Charter, declare and manage any conflicts of interest arising from their nominating relationship and refrain from acting as constituency representatives in Board deliberations.

14.3. The exercise of any reserved shareholder appointment right shall be transparent, shall be subject to the same fit-and-proper, regulatory and independence requirements applicable to other Directors and shall be disclosed in the annual integrated report.

15. ALTERNATE DIRECTORS

A Director may appoint an alternate director in accordance with Article 31 of the MemArts and Regulation 8.17 of the Third Schedule to the POLD Regulations, subject to:

(a) prior vetting and clearance by the BNRC;
(b) the restriction that no alternate director shall serve as a member of the BAC or any committee where independence is a statutory requirement;
(c) the alternate director meeting the fit-and-proper requirements applicable to Directors; and
(d) the alternate director not being a body corporate.

PART E - ROLES, RESPONSILITIES AND CONDUCT OF DIRECTORS AND KEY OFFICERS

16. ROLES AND RESPONSIBILITIES OF DIRECTORS

16.1. General Duties

Each Director shall:

(a) act in good faith and in the best interests of the Company, having regard to the long-term consequences of decisions and the impact on stakeholders;
(b) exercise independent judgment, objectivity and constructive challenge;
(c) apply reasonable care, skill and diligence (assessed objectively, having regard to the knowledge and experience reasonably expected of a Director and the actual knowledge and experience of the individual Director);
(d) devote sufficient time, preparation and attention to the affairs of the Company;
(e) maintain the confidentiality of Company information;
(f) avoid actual, potential and perceived conflicts of interest;
(g) declare interests in transactions and matters before the Board;
(h) attend and actively participate in Board and Committee meetings; and
(i) comply with the MemArts, the Companies Act and this Charter.

16.2. Time Commitment

Each Director is expected to commit sufficient time to discharge effectively the duties of office, including preparation for, attendance at and follow-up from Board, Committee, shareholder, regulatory and stakeholder meetings, site visits, training and induction. Time commitment expectations shall be specified in the letter of appointment and reviewed annually.

16.3. Collective Responsibility

Directors are collectively responsible for the decisions of the Board and shall publicly support and implement Board decisions notwithstanding any dissenting view recorded in the minutes.

16.4. Individual Accountability

Each Director is individually accountable for compliance with this Charter, the Code of Ethics and Conduct, fiduciary and statutory duties, and shall be subject to annual peer and self-evaluation.

17. ROLE OF THE CHAIRPERSON

The Chairperson is responsible for the leadership of the Board, fostering its effectiveness as a collective and individually, and setting the tone for ethical, professional and constructive board engagement. Without limitation, the Chairperson shall:

(a) chair Board meetings and general meetings of shareholders and ensure they are conducted in accordance with this Charter and applicable law;
(b) in consultation with the CEO and the Company Secretary, set the Board agenda, ensuring adequate time for strategic, oversight and assurance matters;
(c) facilitate constructive Board dynamics, encourage open dialogue, dissent and challenge, and promote effective decision-making by consensus where possible;
(d) ensure Directors receive accurate, timely and complete information to discharge their duties;
(e) lead the annual Board evaluation, oversee Director induction and continuing professional development, and lead the succession planning process for the Board and CEO in conjunction with the BNRC;
(f) act as the principal liaison between the Board and the CEO, and between the Board and significant shareholders, regulators and stakeholders on matters of governance;
(g) hold periodic informal sessions with the Non-Executive Directors and Independent Directors;
(h) safeguard the integrity, reputation and ethical standards of the Board; and
(i) not, save in exceptional circumstances being; a temporary absence, incapacity, or vacancy in the office of the CEO, a material crisis or situation that threatens the Company's operations, financial stability, or reputation, or a Board-approved strategic transaction or restructuring requiring enhanced oversight, and in each case only on a clearly defined, time-bound basis and with the approval of the Board, be involved in the day-to-day management of the Company.

18. ROLE OF THE MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

The CEO is appointed by, and is accountable to, the Board for the overall executive leadership and performance of the Company. The CEO shall:

(a) develop and recommend to the Board the corporate strategy, business plan, budget and major policies, and lead their implementation following Board approval;
(b) provide executive leadership to the management team and the wider organization, embedding the Company's values, ethical standards and performance culture;
(c) manage the operations, resources, capital, talent and risks of the Company within the authorities and policies approved by the Board;
(d) maintain effective systems of internal control, risk management, compliance, HSE, cyber and information security;
(e) ensure compliance by the Company with all applicable laws, regulations, the MemArts, this Charter and Board-approved policies;
(f) maintain effective stakeholder relationships including with shareholders, customers, suppliers, employees, regulators, lenders, communities and government;

(g) provide timely, accurate, comprehensive and balanced information to the Board and its committees to enable informed decision-making;
(h) escalate to the Chairperson and the Board any matter of significance, including matters exceeding delegated authority, material risks or incidents, and matters that are novel or contentious;
(i) implement Board decisions and report on implementation; and
(j) proactively identify, develop and recommend to the BNRC potential internal successors for the CEO role and other Executive Committee positions, together with individual development plans;
(k) act as the principal external spokesperson for the Company, in coordination with the Chairperson on matters of governance.

19. ROLE OF INDEPENDENT AND NON-EXECUTIVE DIRECTORS

19.1. Non-executive Directors shall constructively challenge and contribute to the development of strategy, scrutinize the performance of management against agreed goals, satisfy themselves as to the integrity of financial information and the robustness of risk and control systems, and participate fully in the Board's decision-making.

19.2. Independent Directors shall, in addition, safeguard the integrity of the governance process, protect the interests of minority shareholders, ensure objective oversight of management and play a leading role on the BAC, BNRC and any other committee where independence is required by the CMA Code or the POLD Regulations.

19.3. Role of Executive Directors

Executive Directors occupy a dual role, serving simultaneously as members of the Board and as part of the Company's management team. Where conflicts may arise between these two capacities, Executive Directors are expected to navigate such conflicts with sound judgement and professionalism, resolving them in a manner that prioritises the best interests of the Company at all times.

The executive Directors that are eligible to serve and vote on the Company's Board are as set out in the Company's Articles of Association.

20. ROLE OF THE COMPANY SECRETARY

20.1. Appointment and Removal

The Company Secretary shall be appointed and may be removed only by the Board and shall be a member in good standing of the Institute of Certified Secretaries (ICS) or otherwise qualified in accordance with Section 244 of the Companies Act.

20.2. Status and Independence

The Company Secretary reports administratively to the CEO and functionally to the Chairperson and the Board and shall be free from undue influence in the discharge of governance duties. All Directors shall have direct and unfettered access to the Company Secretary.

20.3. Duties and Responsibilities

The Company Secretary shall:

(a) advise the Board on its statutory, regulatory and governance duties and on the MemArts and this Charter;
(b) coordinate Board and committee meetings, agendas, papers and minutes;
(c) maintain statutory registers, including the registers of Directors, members, charges, interests and conflicts;
(d) oversee compliance with the Companies Act, the Capital Markets Act, the POLD Regulations, the CMA Code, the NSE Listing Rules and other applicable laws;
(e) act as the principal liaison between the Company and the CMA, the NSE, the Registrar of Companies and other regulators on governance matters;
(f) support the induction and continuing professional development of Directors;
(g) coordinate the annual Board evaluation;
(h) facilitate the flow of information between the Board, committees and management;
(i) maintain custody of the Company seal and authenticate documents as required; and
(j) coordinate the governance
(k) and the legal and compliance audit required by the CMA Code.

20.4. Resources

The Company Secretary shall be provided with adequate resources, including staff, budget, training and access to specialist advice, to discharge the role effectively.

PART F - BOARD COMMITTEES

21. BOARD COMMITTEES

21.1. Establishment

In accordance with the MemArts and paragraph 8.7 of the Third Schedule to the POLD Regulations, the Board has established the following standing committees to assist the Board in discharging its duties:

(a) the Board Audit Committee (“BAC”);
(b) the Board Nominations and Remuneration Committee (“BNRC”);
(c) the Board Finance Committee (“BFC”); and
(d) the Board Technical Committee (“BTC”).

21.2. General Principles Applicable to all Committees:

(a) Each committee shall operate under written terms of reference approved by the Board, which shall be reviewed at least annually and disclosed on the Company’s website.
(b) The delegation of authority to a committee does not relieve the Board of collective responsibility for the matters delegated.
(c) Each committee shall comprise a minimum of three (3) non-executive Directors with the skills, experience and time commitment necessary to discharge the committee’s mandate.
(d) The CEO shall be a member of all Board Committees, except the BAC, of which he/she shall not be a member but may attend meetings by invitation.

(e) The Chairperson of each committee shall be a non-executive Director, and the Chairpersons of the BAC and BNRC shall additionally be Independent Directors. The Chairperson of the Board shall not chair the BAC.
(f) Each committee shall meet at least four (4) times in each financial year and as often as its business requires, in accordance with an annual work plan approved by the Board.
(g) The quorum for each committee shall be a majority of its members.
(h) Each committee shall have authority to investigate any matter within its terms of reference, full access to management, the external auditor, the internal auditor and the Company's records, and the right to obtain independent professional advice at the Company's expense.
(i) Each committee shall report to the Board at the next Board meeting following each committee meeting, providing a written report of its proceedings, findings and recommendations.
(j) Each committee shall undertake an annual self-evaluation and submit the results to the Board through the BNRC.
(k) The Board may, by resolution, establish ad hoc committees for specific tasks, with defined terms of reference, composition, lifespan and reporting obligations.

21.3. Board Audit Committee (BAC)

21.3.1. **Purpose**

The BAC assists the Board in discharging its oversight responsibilities for the integrity of financial reporting, the effectiveness of the system of internal controls and risk management, the external and internal audit processes, compliance with laws and regulations, the Code of Ethics and Conduct, whistleblowing arrangements, fraud prevention and cyber and technology risk.

21.3.2. **Composition**

The BAC shall comprise not fewer than three (3) non-executive Directors, the majority of whom (including the Chairperson) shall be Independent Directors as aligned to paragraph 8.11 of the Thirteenth Schedule of the POLD Regulations, which requires that at least one third of BAC members be independent directors.

In addition, at least one member shall hold a recognized professional qualification in audit, accounting or financial management and be in good standing with the applicable professional body in accordance with paragraph 8.12 of the Thirteenth Schedule to the POLD Regulations. Members shall be appointed by shareholders pursuant to Section 769 of the Companies Act.

21.3.3. **Responsibilities**

The BAC shall:

(a) review and recommend to the Board for approval the annual and interim financial statements, focusing on significant judgments, estimates, accounting policies, the going concern assumption and compliance with IFRS and International Accounting Standards;
(b) oversee the external audit, including the recommendation of the external auditor for appointment, reappointment and removal by shareholders, the audit fees, the audit plan, auditor independence (including pre-approval of non-audit services), and the effectiveness of the audit;
(c) oversee the internal audit function, including approval of the internal audit charter, plan, budget

and resourcing, the appointment and removal of the Head of Internal Audit, and the effectiveness of internal audit;

(d) the Head of Internal Audit shall report functionally to the BAC and administratively to the CEO. The BAC shall concur in the appointment, evaluation, remuneration and removal of the Head of Internal Audit.

(e) review the effectiveness of the system of internal control and risk management, including financial, operational, compliance, technology, cyber, fraud and ESG controls;

(f) oversee the Company's compliance with applicable laws, regulations, codes and the MemArts and review the management of regulatory engagement and findings;

(g) oversee the Whistleblowing Policy and the speak-up culture, ensuring confidential and protected reporting channels and the investigation and reporting of significant matters;

(h) oversee anti-fraud, anti-bribery and anti-corruption programmes;

(i) oversee cyber, information security and technology risk frameworks and incident response arrangements; and

(j) meet privately with the Head of Internal Audit at each BAC meeting, and with the external auditor at least twice annually, without other management present.

21.3.4. **Reporting**

The BAC Chairperson shall report to the Board at each Board meeting and shall present the BAC's annual report on its activities for inclusion in the integrated report. The BAC Chairperson shall attend the AGM to answer questions on the BAC's activities.

21.4. Board Nominations and Remuneration Committee (BNRC)

21.4.1. **Purpose**

The BNRC assists the Board in

(a) Board composition, succession and renewal;

(b) director and senior executive nominations;

(c) performance evaluation;

(d) director, executive and senior management remuneration;

(e) diversity, equity and inclusion; and

(f) talent and leadership pipeline oversight.

21.4.2. **Composition**

The BNRC shall comprise not fewer than three (3) non-executive Directors, the majority of whom (including the Chairperson) shall be Independent Directors. At least one-third of the members shall be Independent Directors in accordance with paragraph 8.8 of the Third Schedule to the POLD Regulations.

21.4.3. **Responsibilities**

The BNRC shall:

(a) maintain the Board Skills Matrix and succession plans;

(b) lead the search and nomination process for new Directors and recommend candidates to the Board and shareholders;

(c) assess and confirm annually the independence of Directors;

(d) recommend Board and Committee composition and the appointment of Committee Chairpersons;
(e) oversee the annual evaluation of the Board, its committees, the Chairperson and individual Directors, and procure an external independent evaluation at least once every three (3) years;
(f) recommend remuneration policy for non-executive Directors for shareholder approval and the remuneration of the CEO and Executive Committee for Board approval;
(g) oversee executive succession planning and the leadership pipeline;
(h) oversee diversity, equity and inclusion at Board and senior executive levels;
(i) oversee director induction and continuing professional development; and
(j) oversee the Company's human capital strategy and culture.

21.5. Board Finance Committee (BFC)

21.5.1. **Purpose**

The BFC assists the Board in financial strategy, treasury, capital management, funding, ESG, investments and divestments, budgeting and financial risk oversight.

21.5.2. **Composition**

The BFC shall comprise not fewer than three (3) non-executive Directors with at least one of the members having the appropriate financial, investment, banking, treasury or capital markets experience. The Chief Finance Officer shall attend by standing invitation. For independence purposes, members of the BAC should not concurrently serve on the BFC, save where the Board determines otherwise on stated grounds.

21.5.3. **Responsibilities**

The BFC shall:

(a) review and recommend to the Board the annual budget, medium-term financial plan, long-term financial sustainability outlook and capital allocation framework;
(b) ensure alignment between the Company's financial plans and the approved corporate strategy, including reviewing key financial assumptions underlying strategic initiatives;
(c) oversee treasury, liquidity, cash management, foreign exchange, hedging and counterparty exposures;
(d) review and recommend financing, refinancing, capital structure decisions, debt issuance, bank facilities, guarantees and indemnities exceeding management's delegated authority;
(e) review investments, divestments, joint ventures, strategic partnerships and material capital projects from a financial and strategic value creation perspective including assessment of risk-adjusted returns;
(f) oversee tax strategy and material tax positions including tax risk management;
(g) oversee dividend policy and recommendations ensuring alignment with capital allocation priorities and shareholder value objectives;
(h) oversee the financial performance and analysis of debt service, cashflow and working capital including profitability and return on capital metrics;
(i) monitor financial forecasts against actual performance and assess key drivers of variances, including implications for strategy execution;
(j) oversee financial risks including market, credit, liquidity and capital risks;

(k) oversee the Company's Enterprise Risk Management (ERM) framework from a financial risk perspective, including integration of financial risks into the enterprise risk register, stress testing, scenario analysis, and alignment with the Company's risk appetite;
(l) review the adequacy of financial risk mitigation strategies and the Company's resilience under adverse conditions;
(m) review and recommend to the Board the annual procurement plan and material procurement policies, including oversight of major tender awards exceeding management's delegated authority;
(n) oversee tariff and pricing strategy, including review of regulated tariff applications and their financial implications and long-term sustainability implications; and
(o) monitor contingent liabilities, material litigation exposures and their financial implications, in coordination with the BAC.
(p) oversee ESG and sustainability matters, including climate-related risks, decarbonization strategy and energy transition implications for KPC; and

21.6. Board Technical Committee (BTC)

21.6.1. **Purpose**

The BTC assists the Board in technical, operational, capital projects, infrastructure, technology, HSE, and sustainability oversight relevant to the Company's petroleum transportation, storage and handling business.

21.6.2. **Composition**

The BTC shall comprise not fewer than three (3) non-executive Directors with at least one of the members having the appropriate technical, engineering, petroleum, HSE, infrastructure or technology experience. The relevant heads of technical functions shall attend by standing invitation.

21.6.3. **Responsibilities**

The BTC shall:

(a) oversee the development, expansion and integrity of the Company's petroleum transportation, storage and handling infrastructure;
(b) oversee capital projects, including project economics, technical risk, scope, schedule, cost, contractor performance and delivery;
(c) oversee operational performance, throughput, system reliability, asset integrity and product loss;
(d) oversee technology, digitalization, automation, Supervisory Control and Data Acquisition (SCADA), cybersecurity of operational technology and innovation;
(e) oversee HSE, process safety, security of critical infrastructure, environmental management, waste, emissions, water and product spills;
(f) review technical, engineering and operational policies and standards.
(g) oversee sustainability technical matters, including climate-related risks, decarbonization strategy and energy transition implications for KPC

21.7. Ad Hoc Committees

The Board may from time to time establish ad hoc committees with bespoke terms of reference and limited lifespan, subject to the principles in paragraph 21.2.

PART G - BOARD PROCEDURES AND OPERATIONS

22. BOARD MEETINGS AND PROCEDURES

22.1. Frequency

The Board shall meet at least once each calendar quarter, and additional meetings shall be convened as required, including emergency meetings, in accordance with an annual Board calendar approved at the commencement of each financial year.

22.2. Annual Work Plan

The Board shall adopt an annual work plan (Schedule 6) mapping standing agenda items, strategic reviews, financial approvals, governance reviews, risk reviews, regulatory updates, ESG and sustainability reviews and stakeholder engagements across the calendar year.

22.3. Notice and Agenda

The Chairperson, in consultation with the CEO and the Company Secretary, shall set the agenda for each meeting. Notice of meetings, the agenda and Board papers shall be circulated electronically through email or a secure board portal no later than seven (7) days before the meeting, save in cases of emergency.

22.4. Board Papers

Board papers shall be concise, decision-focused, balanced and timely, and shall include an executive summary, the matter for decision or noting, financial or risk implications, regulatory considerations, stakeholder impact, options analysis and a recommendation.

22.5. Quorum

The quorum for any Board meeting shall be a majority of the Directors then in office, including at least one Independent Director, unless the MemArts prescribe otherwise. For any meeting at which Reserved Matters (as defined in the MemArts) are to be considered, the participation of a CST Director and a GoU Director shall additionally be required in accordance with Article 9(2) of the MemArts.

22.6. Decision-Making and Voting

The Chairperson shall seek consensus on all decisions. Where a vote is required, decisions shall be by simple majority of Directors present and voting, with the Chairperson having a casting vote in the case of an equality of votes (unless otherwise restricted by the MemArts or applicable law). Dissenting views shall be recorded in the minutes at the request of any Director.

22.7. Written Resolutions

Subject to the MemArts and the Companies Act, the Board may, in lieu of a meeting, pass written resolutions signed (including by electronic signature) by all the Directors then entitled to receive notice, save for Reserved Matters that require Board deliberation.

22.8. Virtual and Hybrid Meetings

Meetings may be held by video or audio conference or by hybrid means, provided that all participants can hear and be heard and participate substantively, and that confidentiality, security and proper recording are maintained. The following guiding principles shall apply for virtual or hybrid Board meetings:

(a) The Company Secretary shall ensure that the constitutive documents of the Company permit virtual meetings.
(b) The Company Secretary shall ensure that necessary arrangements are in place to facilitate effective and secure communication.
(c) The notice of meeting shall clearly indicate whether the meeting is virtual or hybrid and provide details of the technology platform and access details.
(d) At the start of the meeting, the Company Secretary shall conduct a roll call for quorum purposes, recording each participant's full name, location, type of device and confirmation that they can clearly hear and see others.
(e) All Board members shall identify themselves for the record before speaking.
(f) The Chairperson shall request repetition or reiteration where a statement is interrupted or garbled.
(g) The Chairperson shall ensure resolutions are clearly stated for record purposes.
(h) The Company Secretary shall take minutes in the usual manner, and any recordings shall be secured and stored in line with applicable ICT and Data Protection policies.

22.9. Emergency Meetings

An emergency meeting of the Board may be convened by the Chairperson, the CEO or any two Directors on shorter notice (and, if necessary, without circulation of papers in advance) where the urgency of the matter so requires.

22.10. Attendance Expectations

Each Director is expected to attend all scheduled meetings of the Board and any committee on which the Director serves. Attendance records shall be maintained by the Company Secretary and disclosed in the annual integrated report. Persistent unexplained absence shall be addressed by the Chairperson and may, in serious cases, constitute grounds for non-renomination.

22.11. Meeting Conduct and Etiquette

Directors shall maintain the highest standards of professionalism, respect, candor and confidentiality. Mobile devices and electronic communications shall be used in a manner consistent with the integrity of the meeting and confidentiality of proceedings.

22.12. Confidentiality

Board papers, deliberations and decisions are strictly confidential and shall not be disclosed to any person (including any nominating shareholder) without the prior authority of the Chairperson and subject to applicable law.

22.13. Minutes

The Company Secretary shall prepare accurate minutes of each meeting recording attendance, declarations of interest, key discussions, decisions, dissenting views (where requested), action items and owners. Draft minutes shall be circulated within seven (7) working days of the meeting and confirmed at the next meeting.

22.14. Implementation of Resolutions

The Board delegates to the CEO responsibility to implement the resolutions of the Board, with the CEO having authority to sub-delegate certain responsibilities to senior management. The Board is responsible for monitoring the implementation of its resolutions.

The Board shall make a statement in the integrated annual report on its terms of reference, activities, committee membership, the number of Board and committee meetings held and attendance of members during the course of the year, as required by the CMA Code and NSE Listing Rules.

22.15. In-Camera Sessions

The Board shall hold in-camera sessions at least annually, with the external auditor and the Head of Internal Audit without other members of management being present.

23. BOARD INFORMATION, ACCESS RIGHTS AND PROFESSIONAL ADVICE

23.1. Directors shall have unrestricted access, through the Chairperson, the CEO and the Company Secretary, to all information, records, documents, employees, management, the external auditor, the internal auditor and the premises of the Group required for the discharge of their duties.

23.2. Directors shall use their judgment to ensure that any such access is not disruptive to business operations and shall, where appropriate, copy the CEO on any written communications between a director and an officer or employee of the Company.

23.3. Independent Professional Advice

Each Director is entitled, with the authorization of the Chairperson (which shall not be unreasonably withheld) and, where appropriate, in consultation with the Company Secretary, to take independent legal, financial, technical or other professional advice at the Company's expense in furtherance of his or her duties, and to receive the original advice.

23.4. Management Briefings and Site Visits

Management shall make presentations to the Board, and the Board shall undertake periodic site visits to key facilities and stakeholder forums, to deepen Directors' understanding of the business, technology, HSE and stakeholder context.

23.5. Access to Records

Each Director shall have access to all books, records and registers of the Company, subject to applicable confidentiality obligations and any restrictions imposed by law (for example, insider trading restrictions).

23.6. Confidential Information Management

Directors shall handle confidential information in accordance with the Information Security Policy and shall not retain confidential information beyond the period required to discharge their duties; on cessation of office, Directors shall return all confidential materials in their possession.

24. DIRECTOR INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

24.1. Induction

The Chairperson, with the support of the CEO and the Company Secretary, shall ensure that each newly appointed Director undertakes a structured induction programme within ninety (90) days of appointment (Schedule 11), covering:

(a) the Company's history, strategy, business model and operations;
(b) the regulatory and listing framework;
(c) governance arrangements, including this Charter, committee terms of reference, key policies and the MemArts;
(d) the financial position, capital structure and key performance indicators;
(e) principal risks, HSE and ESG matters;
(f) technology, digital and cybersecurity context;
(g) meetings with key executives and committee chairs; and
(h) visits to key operational sites.

24.2. Continuing Professional Development

Each Director shall undertake not less than twelve (12) hours of continuous professional development in each financial year, in accordance with the CMA Code and the POLD Regulations, with development tailored to identified skills gaps from the Skills Matrix and Board evaluation. New Directors shall complete a recognized Director Training Programme within six (6) months of appointment.

24.3. Records and Disclosure

The Company Secretary shall maintain a register of Director training and continuous professional development, which shall be disclosed in summary in the annual integrated report.

25. BOARD PERFORMANCE EVALUATION

25.1. Annual Evaluation

The Board shall, under the leadership of the Chairperson and through the BNRC, conduct an annual evaluation of:

(a) the Board as a whole;
(b) each Board committee;
(c) the Chairperson;
(d) individual Directors (including peer review);
(e) the CEO; and
(f) the Company Secretary.

25.2. External Evaluation

At least once every three (3) years, the evaluation shall be facilitated by an external independent evaluator, in accordance with the CMA Code, with results reported to the Board and disclosed in summary in the annual integrated report.

25.3. Methodology

The evaluation methodology (Schedule 9) shall include questionnaires, structured interviews, observation of meetings and benchmarking against the Skills Matrix, Charter requirements, CMA Code and global best practice. Results shall inform Director development, succession planning, Board composition decisions and committee composition.

25.4. Action Planning

The Chairperson shall develop, in consultation with the BNRC, a written action plan responding to evaluation findings, with progress reviewed at least semi-annually.

25.5. Chairperson Evaluation

The Chairperson's performance shall be evaluated by the non-executive Directors under the leadership of the Lead Independent Director.

25.6. Governance and Legal Audit

In addition to Board evaluation, the Board shall procure a governance audit and a legal and compliance audit at least once every two (2) years, in accordance with paragraph 2.11 of the CMA Code as amended by CMA Circular No. 1 of 2020 (and on a more frequent or less frequent basis where the Authority so directs on a risk-based assessment), with results reported to the Board and summarized in the annual integrated report.

PART H - ETHICS, CONDUCT, CONFLICTS AND SECURITIES DEALING

26. ETHICS, CONDUCT AND FIDUCIARY DUTIES

26.1. Fiduciary Duties

Each Director shall, in accordance with Part IX, Division 3 of the Companies Act and applicable common law principles:

(a) act within powers;
(b) promote the success of the Company for the benefit of its members as a whole;
(c) exercise independent judgment;
(d) exercise reasonable care, skill and diligence;
(e) avoid conflicts of interest;
(f) not accept benefits from third parties; and
(g) declare interests in proposed and existing transactions or arrangements.

26.2. Standards of Conduct

Directors shall:

(a) act with honesty, integrity, fairness and accountability;
(b) uphold the Constitution of Kenya, including Chapter Six on Leadership and Integrity (to the

extent applicable), the Leadership and Integrity Act and the Public Officer Ethics Act (to the extent applicable);

(c) comply with the Company's Code of Ethics and Conduct;

(d) not abuse their position or information acquired in office for personal benefit; and

(e) avoid any conduct that would damage the reputation of the Company.

26.3. Anti-Bribery, Anti-Corruption and Sanctions

Directors shall comply with the Bribery Act, 2016, the Anti-Corruption and Economic Crimes Act, the Proceeds of Crime and Anti-Money Laundering Act and applicable international sanctions regimes. The Board shall approve and oversee implementation of a comprehensive Anti-Bribery and Corruption Policy and a sanctions compliance programme.

26.4. Use of Company Assets and Opportunities

Directors shall not use, or permit others to use, Company assets, information or opportunities for personal benefit or for the benefit of any third party.

26.5. Gifts and Hospitality

Directors shall comply with the gifts, hospitality and entertainment provisions set out in the Gift Policy and Company's Conflict of Interest Policy, declaring gifts and hospitality received in excess of de minimis thresholds in the Gifts Register maintained by the Company.

26.6. Speak-Up Culture and Whistleblowing

Directors shall promote a culture in which concerns about misconduct can be raised confidentially and without fear of retaliation and shall oversee the Whistleblowing Policy and reporting channels.

27. CONFLICTS OF INTEREST

27.1. Disclosure Obligations

Every Director shall, upon appointment and at least annually thereafter (and immediately upon becoming aware of any change), disclose to the Board in writing all directorships, partnerships, trusteeships, employments, shareholdings, advisory roles and other interests that may give rise to an actual, potential or perceived conflict of interest.

27.2. Register of Interests and Conflicts

The Company Secretary shall maintain Registers of Interests and of Conflicts of Interest, which shall be tabled at every Board meeting for confirmation and update.

27.3. Standing Agenda Item

"Declarations of Interest" shall be a standing item at the commencement of every Board and Committee meeting.

27.4. Recusal

Where a Director has a direct or indirect material interest in a matter under consideration, the Director shall:

(a) declare the nature and extent of the interest;

(b) refrain from receiving the relevant papers (or, if already received, return or destroy them);
(c) recuse themselves from the deliberations and the vote; and
(d) not be counted in the quorum for that matter, unless otherwise permitted by the MemArts and applicable law.

27.5. Related Party Transactions

Related party transactions shall be identified, evaluated and approved in accordance with Part XIV of the Companies Act, the POLD Regulations, the CMA Code and the Company's Related Party Transactions Policy. Material related party transactions shall be subject to independent review and, where required, shareholder approval, and shall be publicly disclosed.

27.6. Ongoing Monitoring

The BNRC shall, at least annually, review the operation of the conflicts of interest framework and report to the Board on any material issues.

27.7. Perceived Conflicts

Where a perceived (as distinct from actual) conflict arises, the Director concerned shall consult the Chairperson and the Company Secretary and follow such directions as may be given to safeguard the integrity of the Board's deliberations.

28. INSIDER TRADING, SECURITIES DEALING AND MARKET CONDUCT

28.1. Compliance

Directors, the Company Secretary, the Executive Committee and other Persons Discharging Managerial Responsibilities (PDMRs) and persons closely associated with them shall comply with the prohibitions on insider trading and market manipulation under the Capital Markets Act, the POLD Regulations and the Company's Insider Trading Policy.

28.2. Closed Periods

No Director or other PDMR shall deal in the securities of the Company during a closed period commencing not less than thirty (30) days (or such longer period as the Board may specify) prior to the announcement of the Company's quarterly, interim or annual financial results or the declaration of any dividend, or during any event-driven blackout period declared by the Company Secretary in accordance with the Insider Trading Policy, or at any time when in possession of inside information.

28.3. Pre-Clearance

All dealings by Directors and PDMRs shall be subject to prior written clearance by the Chairperson (or, in the case of the Chairperson, by the Chairperson of the BAC), administered by the Company Secretary.

28.4. Disclosure of Dealings

All dealings shall be promptly disclosed to the Company Secretary and reported to the CMA and the NSE as required by law.

28.5. Selective Disclosure

Directors shall not selectively disclose material non-public information and shall comply with the

Company's Continuous Disclosure Policy and the continuous disclosure obligations under the POLD Regulations and the NSE Listing Rules.

PART I - RISK, STRATEGY, REPORTING, SUSTAINABILITY AND STAKEHOLDERS

29. RISK GOVERNANCE, INTERNAL CONTROL AND ASSURANCE

29.1. Enterprise Risk Management

The Board retains ultimate responsibility for the Company's enterprise risk management, internal control, compliance, fraud prevention and combined assurance framework, and shall:

(a) approve and review the Risk Management Policy and framework;
(b) determine the Company's risk appetite, tolerance and capacity and review them at least annually;
(c) ensure that material principal risks are identified, assessed, mitigated, monitored and reported;
(d) oversee the effectiveness of the system of internal control;
(e) oversee the independence, resourcing and effectiveness of the internal audit function;
(f) oversee the compliance function and regulatory engagement;
(g) oversee business continuity, disaster recovery, crisis management and resilience arrangements;
(h) oversee cybersecurity, data privacy and information security; and
(i) approve the combined assurance plan and review its execution.

29.2. Three Lines Model

The Board endorses the Three Lines Model of governance:

a) Management - owning and managing risk and controls;
b) Compliance and Risk Management functions - providing oversight; and
c) Internal Audit - providing independent assurance, with the external auditor and regulators forming part of the broader assurance ecosystem.

29.3. ESG and Climate-Related Risks

The Board, supported by the BFC and the BAC, shall integrate ESG and climate-related risks and opportunities into strategy, risk management, financial planning and disclosure, including in line with IFRS S1 and S2 and the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

29.4. Annual Risk Statement

The Board shall include in the annual integrated report a statement on the Company's principal risks, risk appetite, risk management framework and the effectiveness of internal controls, in accordance with the CMA Code.

30. STRATEGY, CAPITAL ALLOCATION AND PERFORMANCE OVERSIGHT

30.1. The Board shall:

(a) approve and periodically review the strategic direction of the Company, having regard to the petroleum sector, energy transition, regional infrastructure dynamics and stakeholder expectations;

(b) oversee capital allocation decisions, balancing growth, resilience, dividend distributions and balance sheet strength;

(c) approve major infrastructure investments and financing structures;

(d) monitor operational, financial, HSE and ESG performance against approved KPIs; and

(e) consider strategic execution risks, including those arising from regulatory change, energy transition, technological disruption, geopolitical developments and counterparty exposures.

30.2. Strategy Sessions

The Board shall hold at least one dedicated strategy session annually, ordinarily in the form of a strategy retreat, to deliberate strategic direction, scenario analysis, capital allocation and risk appetite.

31. FINANCIAL REPORTING AND DISCLOSURE OVERSIGHT

31.1. The Board, supported by the BAC, shall:

(a) ensure that the Company's financial statements present a true and fair view in accordance with IFRS and International Accounting Standards and the Companies Act;

(b) ensure auditor independence and effective external audit;

(c) ensure timely and accurate disclosure of all material information to the market, in accordance with the continuous disclosure obligations under the CMA Code, the POLD Regulations and the NSE Listing Rules;

(d) approve all financial statements, integrated reports, prospectuses, circulars and material market announcements prior to publication; and

(e) maintain a Disclosure Policy and Disclosure Committee (or analogous structure) to manage the timely and accurate dissemination of inside information.

31.2. Integrated Reporting

The Company shall publish an annual integrated report aligned with the IFRS Sustainability Disclosure Standards and applicable integrated reporting frameworks, addressing financial, governance, strategy, risk, sustainability and stakeholder matters.

31.3. Going Concern and Viability

The Board shall issue an annual going concern statement and, where appropriate, a longer-term viability statement, supported by stress testing and scenario analysis.

32. SUSTAINABILITY, ESG AND STAKEHOLDER GOVERNANCE

32.1. The Board shall:

(a) approve the Sustainability and ESG Strategy and oversee its implementation;

(b) oversee climate-related risks and opportunities, decarbonization pathways and the energy transition implications for KPC's business model;

(c) oversee health, safety, environment, process safety, security of critical infrastructure and product stewardship;

(d) oversee human rights, labour standards and supply chain due diligence;

(e) oversee community engagement, social investment and shared value initiatives;
(f) approve sustainability disclosures aligned with IFRS S1, IFRS S2, the Global Reporting Initiative and other applicable frameworks; and
(g) oversee stakeholder mapping, engagement strategies and feedback loops.

32.2. Stakeholder Inclusivity
The Board recognizes the Company's accountability to a broad range of stakeholders, including employees, customers, suppliers, lenders, communities, government, regulators, civil society and the general public, and shall promote inclusive, transparent and constructive engagement.

32.3. Human Rights and Modern Slavery
The Board shall oversee the Company's commitment to international human rights standards (including the UN Guiding Principles on Business and Human Rights) and the prevention of modern slavery and human trafficking in the Company's operations and supply chain.

32.4. Investor Relations and Shareholder Engagement
The Board shall ensure effective investor relations, including a structured programme of engagement with institutional shareholders, retail shareholders, analysts and rating agencies, and shall ensure that all shareholders are treated equitably.

33. TECHNOLOGY, CYBERSECURITY, DATA GOVERNANCE AND INFORMATION SECURITY

33.1. The Board, supported by the BAC and the BTC, shall:
(a) oversee the technology and digital transformation strategy;
(b) oversee cybersecurity strategy, threat landscape, incident response, resilience testing and reporting;
(c) oversee information governance, including data classification, retention and disposal;
(d) oversee compliance with the Data Protection Act, 2019 and other applicable data privacy laws;
(e) oversee the security of operational technology and control systems supporting the petroleum transportation network;
(f) oversee material technology investments and the management of technology project risks; and
(g) ensure that the Board itself is supported by secure board-portal technology and adequate cyber-hygiene.

33.2. Cyber Incident Reporting
The Board shall be promptly informed of any material cyber, data privacy or information security incident, including incidents required to be notified to regulators, and shall oversee post-incident review and remediation.

34. CRISIS GOVERNANCE AND BUSINESS CONTINUITY

34.1. The Board shall oversee the Company's preparedness for, response to and recovery from crises, including operational disruptions, environmental and process safety incidents, cyber incidents, regulatory crises, geopolitical events, public health emergencies, financial distress, fraud and reputational events. The Board shall approve and review the Crisis Management Framework, Business Continuity Plan, Disaster Recovery Plan, Incident Response Plan and Crisis Communications Plan.

34.2. Crisis Communications

The Board shall ensure that an authoritative spokesperson protocol is in place to ensure consistent, accurate and timely communication with regulators, shareholders, employees, media and the public during a crisis.

34.3. Post-Crisis Review

Following any material crisis or incident, the Board shall procure a post-incident review and lessons-learned process, with findings reflected in updated frameworks, controls and training.

PART J - REMUNERATION, LIABILITY, DISCLOSURE AND SHAREHOLDER RELATIONS

35. DIRECTOR REMUNERATION PRINCIPLES

35.1. Remuneration Philosophy

Director remuneration shall

(a) support the attraction, retention and motivation of high-calibre Directors;
(b) reflect the responsibilities, complexity, time commitment and accountability associated with the role;
(c) align with the long-term sustainable value creation of the Company;
(d) be benchmarked against comparable listed issuers in Kenya and regionally; and
(e) safeguard the independence of non-executive Directors.

35.2. Structure of Non-Executive Director Remuneration

Non-executive Directors shall be remunerated through;

(a) an annual retainer fee;
(b) sitting allowances per Board and committee meeting attended;
(c) additional retainers for Committee Chair and Lead Independent Director roles, where applicable; and
(d) reimbursement of reasonable, properly documented expenses. Non-executive Directors shall not, save in exceptional circumstances disclosed to shareholders, participate in performance-related pay or share-based incentive arrangements.

35.3. Executive Remuneration

The remuneration of the CEO and the Executive Committee shall comprise base salary, short-term incentives linked to financial, operational, ESG and strategic KPIs, long-term incentives aligned with sustainable value creation, and standard benefits, subject to malus and clawback in cases of misconduct, restatement or material risk failure.

35.4. Shareholder Approval and Disclosure

Non-executive Director remuneration shall be approved by shareholders in general meeting. The Company shall publish a Directors' Remuneration Report annually, disclosing remuneration policy and individual remuneration in accordance with the Companies Act, the POLD Regulations and the

CMA Code.

35.5. Benchmarking and Review

The BNRC shall review director and executive remuneration at least every two (2) years against independent benchmarking and shall recommend any adjustments to the Board and (in the case of non-executive Director fees) to shareholders.

36. LIABILITY, INDEMNITY AND INSURANCE

36.1. The Company shall maintain, at its expense, Directors' and Officers' ('D&O') liability insurance of an appropriate scope and limit for all Directors and Senior Officers, reviewed annually by the Board on the recommendation of the BFC.

36.2. Indemnity

To the maximum extent permitted by the Companies Act, the MemArts and applicable law, the Company shall indemnify each Director against liabilities, costs, charges, losses and expenses incurred in connection with the proper discharge of their duties. No indemnity shall be available in respect of fraud, dishonesty, bad faith, willful misconduct, unlawful conduct or other matters where indemnification is prohibited by law.

36.3. Continuing Cover

D&O insurance and indemnity arrangements shall, to the extent permissible, extend to former Directors in respect of acts and omissions during their tenure.

37. INFORMATION, REPORTING, DISCLOSURE AND TRANSPARENCY

37.1. The Company shall maintain timely, accurate, balanced, understandable and transparent disclosure to the market in accordance with the continuous disclosure obligations under the Capital Markets Act, the POLD Regulations, the NSE Listing Rules and the CMA Code.

37.2. Annual Integrated Report

The annual integrated report shall disclose, among other matters, Board composition, independence, diversity, tenure, attendance, committee activities, remuneration, governance arrangements, principal risks, sustainability performance, related party transactions and the Company’s application of the CMA Code.

37.3. Website Disclosure

The Company shall maintain a comprehensive corporate governance section on its website, including this Charter, the MemArts, Board and Committee Charters, key policies, the annual integrated report, sustainability reports, financial results, governance audit summaries, AGM materials and material announcements.

37.4. Continuous Disclosure

The Board shall ensure that inside information is disclosed without delay in accordance with the CMA Continuous Disclosure regime, save where a legitimate delay is permissible under applicable law and is justified, documented and monitored.

37.5. Insider Lists and Information Barriers

The Company shall maintain insider lists and information barriers in accordance with the Capital Markets Act and the POLD Regulations and shall provide regular training on inside information management.

38. RELATIONSHIP WITH SHAREHOLDERS

38.1. The Board shall:

(a) respect and facilitate the rights of shareholders;
(b) ensure equitable treatment of all shareholders, including minority and foreign shareholders;
(c) maintain a structured shareholder engagement programme;
(d) facilitate meaningful participation by shareholders at general meetings, including through hybrid and electronic participation where permitted;
(e) ensure that the AGM provides an effective forum for shareholder dialogue, accountability and the exercise of voting rights; and
(f) provide a clear channel for shareholders to raise governance concerns with the Chairperson or the Lead Independent Director.

38.2. Voting and Resolutions

The Company shall facilitate informed voting at general meetings, support poll voting on substantive resolutions, and disclose voting outcomes in accordance with applicable law.

38.3. Engagement with Significant Shareholders

The Chairperson, the Lead Independent Director and the CEO shall, on a coordinated basis, engage periodically with significant institutional shareholders on strategy, governance and remuneration matters, in compliance with selective disclosure prohibitions.

38.4. Relationship with stakeholders

The Board shall a structured approach to dealing with stakeholders and will be responsible for ensuring consideration of their legitimate interests during the Board deliberations and decision making process and effectively communicated inline with the Board Stakeholder Engagement Policy.

PART K - CHARTER REVIEW, ADOPTION AND SCHEDULES

39. CHARTER REVIEW AND AMENDMENT

39.1. Review

This Charter shall be reviewed by the Board at least once every two (2) years, and earlier where required by

(a) changes in applicable law, regulations or codes;
(b) material developments in governance best practice;
(c) material changes in the Company's strategy, structure, risk profile or stakeholder context; or
(d) findings of any Board evaluation or governance audit.

39.2. Amendment

Any amendment to this Charter shall be considered by the BNRC, recommended to the Board and approved by a resolution of the Board. Material amendments shall be disclosed in the integrated annual report and the updated Charter shall be published on the Company's website.

39.3. Regulatory Updates

The Company Secretary shall continuously monitor regulatory developments and submit proposed updates to this Charter to the BNRC as required.

39.4. Severability

If any provision of this Charter is or becomes invalid, illegal or unenforceable, such provision shall be severed without affecting the validity or enforceability of the remaining provisions.

40. SCHEDULES

The following Schedules form an integral part of this Charter:

(a) Schedule 1 - Definitions and Interpretation;
(b) Schedule 2 - Board Skills Matrix (Template);
(c) Schedule 3 - Reserved Matters Matrix (Part A: Shareholders; Part B: Board; Part C: Committees; Part D: Management);
(d) Schedule 4 - Delegation of Authority Framework and Approval Limits;
(e) Schedule 5 - Director Independence Assessment Template;
(f) Schedule 6 - Annual Board Work Plan / Governance Calendar (Template);
(g) Schedule 7 - Board Committee Reporting Matrix;
(h) Schedule 8 - Director Appointment Letter (Template);
(i) Schedule 9 - Board Evaluation Framework;
(j) Schedule 10 - Conflict of Interest Declaration (Template);
(k) Schedule 11 - Director Induction Framework; and
(l) Schedule 12 - Succession Planning Framework.

41. ADOPTION

Approved and adopted by the Board of Directors of Kenya Pipeline Company PLC on the ____ day of _______________ 2026, with effect from that date, in supersession of:

(a) the KPC Board Charter dated 10th December 2025;
(b) the Board Audit Committee Charter dated June 2024 (as approved on 24 September 2024);
(c) the Board Finance Committee Charter dated 4th August 2025; and
(d) the Board Technical Committee Charter dated 28th August 2025,

each of which is hereby revoked in its entirety. This Charter, together with the committee terms of reference set out herein, constitutes the complete governance framework for the Board and its committees, and shall be reviewed not later than the corresponding date in 2028 (or earlier if required)

Signed for and on behalf of the Board:

_________________________	_________________________
[Insert Name]	[Insert Name]
Chairperson of the Board	**Company Secretary**

PART L - SCHEDULES

SCHEDULE 1 - DEFINITIONS AND INTERPRETATION

In addition to the terms defined in the body of this Charter, the following terms shall have the meanings set out below:

"**Applicable Law**" means the Companies Act, the Capital Markets Act, the POLD Regulations, the CMA Code, the NSE Listing Rules, the Petroleum Act, the Energy Act, the Data Protection Act, 2019, the Bribery Act, 2016, and all other laws, regulations, directives, codes and guidelines applicable to the Company;

"**Committee**" means any committee of the Board established under Section 20;

"**Conflict of Interest**" means any situation in which a director has a direct or indirect private, personal, professional or financial interest sufficient to influence, or which could reasonably be perceived to influence, the objective exercise of the Director's duties, as further described in the Company's Conflict of Interest Policy;

"**Connected Person**" has the meaning given in the Company's Insider Trading Policy and includes, in relation to a Director: a spouse, parent, child, sibling or any person in the Director's household; any company in which the Director holds more than twenty per cent (20%) of the voting rights; any trust of which the Director is a beneficiary; and any associate deemed to have a personal or commercial relationship.

"**CST Director**" means a director appointed by the Cabinet Secretary to the National Treasury pursuant to Article 24(6) of the MemArts.

"**D&O Insurance**" means Directors' and Officers' liability insurance.

"**GoU Director**" means a director appointed by the Government of Kenya (through the responsible Cabinet Secretary) pursuant to Article 24(5) of the MemArts.

"**Inside Information**" has the meaning given in the POLD Regulations;

"**Institutional Director**" means a director nominated by the Institutional Investor holding the largest percentage of the issued share capital of the Company, pursuant to Article 24(7) of the MemArts.

"**Lead Independent Director**" means the Director appointed pursuant to paragraph 10.7;

"**PDMR**" means a Person Discharging Managerial Responsibilities, being any Director, the Company Secretary, any member of the Executive Committee or any other person so designated under the Company's Insider Trading Policy;

"**SCADA**" means Supervisory Control and Data Acquisition (the operational technology platform used for pipeline monitoring and control).

"**Senior Officer**" means a member of the Executive Committee or other senior employee designated by the Board.

"**Special Resolution**" has the meaning given in the MemArts, being a resolution passed by a majority of not less than eighty-one per cent (81%) of the votes cast.

SCHEDULE 2 - BOARD SKILLS MATRIX (TEMPLATE)

1. The Board Skills Matrix is a tool used by the BNRC to assess collective and individual director skills, identify gaps and inform director searches and development. Each Director is rated against each competency on a scale of 1 (limited exposure) to 4 (recognized expert).

2. Competency categories include:
   (a) Sectoral - petroleum, energy, infrastructure, logistics, regional energy markets;
   (b) Functional - finance/accounting/audit, risk management, treasury/capital markets, legal/governance/regulatory, HR/talent, marketing/commercial, operations/engineering, project management;
   (c) Strategic - strategy, M&A, capital allocation, business transformation;
   (d) Risk and Assurance - enterprise risk, internal control, compliance, fraud, cyber, crisis;
   (e) Technology and Digital - IT, cybersecurity, data, OT/SCADA, AI;
   (f) ESG and Sustainability - climate, HSE, human rights, social impact;
   (g) Stakeholder and Public Affairs - government relations, regulatory engagement, investor relations, communications;
   (h) Leadership and Governance - listed company board experience, CEO/CFO experience, committee chair experience; and
   (i) Personal Attributes - integrity, independent judgment, collaboration, diversity contribution.

SCHEDULE 3 - RESERVED MATTERS MATRIX

<u>Part A - Shareholders</u>

Matters Reserved for Shareholders include (without limitation):

a) alterations to the MemArts;
b) appointment, election, re-election and removal of Directors;
c) approval of non-executive Director remuneration;
d) declaration of final dividends;
e) mergers, schemes of arrangement, takeovers and reconstructions requiring shareholder approval;
f) reduction or alteration of share capital;
g) voluntary winding-up; de-listing or material change of corporate status;
h) appointment, reappointment and removal of the external auditor;
i) share incentive plans; and political donations.

<u>Part B – the Board</u>

Matters Reserved for the Board include (without limitation):

a) approval of strategy, business plan and budget;
b) approval of all major governance policies;
c) appointment and removal of the CEO, Company Secretary and Executive Committee;
d) determination of risk appetite and risk management framework;
e) approval of capital expenditure, investments, acquisitions, disposals and joint ventures exceeding management’s delegated authority limits or such other threshold as the Board may set from time to time;
f) approval of debt issuances, bank facilities, guarantees and indemnities exceeding management’s delegated authority;
g) approval of financial statements and material market announcements;

h) approval of executive succession plans;
i) approval of related party transactions;
j) establishment of committees and approval of their terms of reference;
k) approval of dividend recommendations to shareholders;
l) approval of material litigation strategy and settlement above set thresholds; and
m) approval of any novel, contentious or reputationally material matters.

Part C - Matters Delegated to Board Committees

As set out in each Committee's terms of reference, summarized in Section 20 above. Committees have authority to make recommendations to the Board and, within their delegated mandates, to take decisions on matters that are not Reserved Matters.

Part D - Matters Delegated to Management

All matters not expressly reserved for shareholders, the Board or any Committee are delegated to the CEO, who may sub-delegate within management subject to the Delegation of Authority Framework (Schedule 4) and the requirement to escalate matters of significance to the Board.

SCHEDULE 4 - DELEGATION OF AUTHORITY FRAMEWORK

1. The Board shall approve, and review at least annually, a Delegation of Authority Framework specifying, for each category of decision: the approving body (Board, Committee, CEO, Executive Committee, divisional management), the financial or other thresholds, the documentation and reporting requirements and the escalation triggers.

2. Indicative categories include: capital expenditure; operating expenditure; procurement contracts; tendering and bid awards; financing and treasury transactions (including borrowings, guarantees, hedging); investments and divestments; HR matters (recruitment, remuneration, termination of senior staff); legal proceedings (commencement, defense, settlement); regulatory submissions; community and corporate social investment commitments; pricing and tariff decisions; and decisions affecting the Company's strategic assets and infrastructure.

3. Approval thresholds are subject to review and may be expressed in absolute monetary terms or as percentages of approved budget, with single-transaction and aggregate-annual thresholds. The thresholds set out below are illustrative placeholders and shall be calibrated by the Board having regard to the Company's size, risk appetite and strategic profile:
   (a) above [Kshs. 500 million] – the Board;
   (b) Kshs. 100 million to 500 million – the relevant Board Committee
   (c) Kshs. 25 million to100 million - the CEO with Executive Committee endorsement;
   (d) below Kshs. 25 million - within management delegations.

SCHEDULE 5 - DIRECTOR INDEPENDENCE ASSESSMENT TEMPLATE

1. Each Director shall, annually and on any material change, complete an Independence Assessment confirming (or disclosing the absence of) each of the following:
   (a) no employment with the Group within the preceding three (3) years;
   (b) no material business relationship with the Group within the preceding two (2) years;
   (c) no remuneration other than Director's fees;

(d) no close family ties with executives, advisers or significant shareholders;
(e) no cross-directorships or significant links;
(f) does not represent a significant shareholder owning more than 20% shares;
(g) tenure of less than six (6) cumulative years; and
(h) no other relationship that could reasonably be regarded as affecting independence.

2. The BNRC shall review each completed Independence Assessment, request additional information as required, and present its determination of independence to the Board for confirmation. The Board's determination, including the basis for any exceptional finding of continued independence, shall be disclosed in the annual integrated report.

SCHEDULE 6 - ANNUAL BOARD WORK PLAN/GOVERNANCE CALENDAR (ILLUSTRATIVE TEMPLATE)

1. <u>Quarter (Q)1</u>

(a) Annual strategy review;
(b) Approval of annual budget and business plan;
(c) Review of risk appetite;
(d) Review of Board calendar and committee work plans;
(e) Review of major capital projects; HSE deep dive.

2. <u>Quarter (Q)2</u>

(a) Approval of annual financial statements and integrated report;
(b) Review of external audit;
(c) Board and committee evaluation initiation;
(d) Sustainability report approval;
(e) Review of executive remuneration;
(f) Succession planning review;
(g) AGM preparation.

3. <u>Quarter (Q)3</u>

(a) AGM;
(b) Mid-year strategy and performance review;
(c) Cyber and technology deep dive;
(d) Regulatory engagement review;
(e) Combined assurance review;
(f) Review of related party transactions.

4. <u>Quarter (Q)4</u>

(a) Half-year financial results review;
(b) Risk and compliance review;
(c) Charter and policies review;
(d) Remuneration review;
(e) Board composition and succession planning;
(f) ESG and climate review;

(g) Board evaluation results and action plan.

5. Standing items at every meeting:

(a) declarations of interest;
(b) Chairperson's update;
(c) CEO's report; committee chair reports;
(d) risk dashboard;
(e) HSE incidents;
(f) regulatory matters
(g) investor relations update.

SCHEDULE 7 - BOARD COMMITTEE REPORTING MATRIX

The following matters are reported by Committees to the Board at each Board meeting following the relevant Committee meeting:

1. BAC

(a) Financial reporting status,
(b) Internal audit reports
(c) External audit matters
(d) Risk register
(e) Compliance status including ESG
(f) Whistleblowing matters
(g) Fraud incidents
(h) Cyber incidents

2. BNRC

(a) Composition and succession updates
(b) Remuneration matters
(c) Evaluation results, diversity metrics, training records

3. BFC

(a) Budget performance,
(b) Treasury and liquidity position
(c) Financing transactions
(d) Capital project financial status
(e) Dividend recommendations
(f) Quarterly strategy reviews

4. BTC

(a) Operational performance
(b) Capital projects status
(c) HSE performance,
(d) ESG and climate matters,
(e) Technology and digital matters
(f) Asset integrity

SCHEDULE 8 - DIRECTOR APPOINTMENT LETTER (TEMPLATE OUTLINE)

1. The letter of appointment for each non-executive Director shall, at a minimum, set out:
   (a) The term of appointment and subject to election by shareholders;
   (b) The time commitment required;
   (c) The role description and duties under this Charter;
   (d) Committee assignments;
   (e) Remuneration;
   (f) Expenses;
   (g) Confidentiality undertakings;
   (h) Compliance with policies (Code of Ethics, Conflicts, Securities Dealing, etc.);
   (i) D&O insurance and indemnity arrangements;
   (j) Induction and continuing professional development;
   (k) Outside interests and other directorships;
   (l) Circumstances of cessation; and
   (m) Governing law and dispute resolution.

SCHEDULE 9 - BOARD EVALUATION FRAMEWORK

1. Scope

a) Board as a whole;
b) Each Committee;
c) The Chairperson;
d) The CEO;
e) Each individual Director (including self and peer review);
f) The Company Secretary.

2. Methodology

(a) Questionnaires;
(b) Structured interviews by the Chairperson (or external facilitator);
(c) Observation of meetings;
(d) Benchmarking against the Skills Matrix, this Charter, the CMA Code and global best practice;
(e) Review of attendance, contribution and committee participation;
(f) Review of action plan from prior evaluation.

3. Output

(a) Written report to the Board with findings, themes and recommendations;
(b) An action plan owned by the Chairperson and tracked by the BNRC;
(c) Disclosures in the integrated report; and
(d) A triennial externally facilitated evaluation.

SCHEDULE 10 - CONFLICT OF INTEREST DECLARATION (TEMPLATE)

1. Each Director shall complete a Conflict of Interest Declaration upon appointment and annually thereafter, disclosing:
   (a) Directorships and trusteeships (executive and non-executive) in any entity;
   (b) Partnerships, sole proprietorships and employments;

(c) Shareholdings (above 1% in any entity or any holding in entities that contract with or compete with the Group);
(d) Family relationships with Directors, executives or material counterparties;
(e) Consulting, advisory or fiduciary relationships;
(f) Other interests that are reasonably likely to be perceived as relevant; and
(g) Any pending litigation or regulatory matters affecting the Director.

2. The Director shall update the declaration immediately upon any material change and shall, at each meeting, declare any interest in a specific agenda item, recuse themselves from deliberation and voting and request that the recusal be recorded in the minutes.

SCHEDULE 11 - DIRECTOR INDUCTION FRAMEWORK

1. **Component 1 - Governance briefing**
The MemArts, this Charter, Committee Terms of Reference, Key policies, Regulatory framework, Fiduciary duties and Conflicts and securities dealing rules

2. **Component 2 - Business briefing**
Company history, Vision, Strategy, Business model, Operational footprint, Key infrastructure, Customers and suppliers, Regulators, Competitors and Energy transition context.

3. **Component 3 - Financial and risk briefing**
Latest financial statements, Budget, Capital structure, Key performance indicators, Principal risks, Risk appetite and the Assurance framework.

4. **Component 4 – Meetings**
With the Chairperson, the CEO, each member of the Executive Committee, the Company Secretary, the Head of Internal Audit, the Head of Risk and Compliance and the External Auditor.

5. **Component 5 - Site visits**
To key petroleum transportation, storage and handling facilities, with safety briefings.

6. **Component 6 - Director Training Programme**
Completion within six (6) months of appointment, in accordance with the POLD Regulations.

SCHEDULE 12 - SUCCESSION PLANNING FRAMEWORK

1. The BNRC shall maintain succession plans for:
(a) The Chairperson;
(b) The CEO;
(c) Each Committee Chairperson;
(d) Each Independent Director;
(e) The Company Secretary; and
(f) Each member of the Executive Committee.

2. For each role, the succession plan shall identify:
(a) Short-term emergency successors (capable of stepping in on an interim basis);

(b) Medium-term internal successors (with a development plan); and
(c) The external talent pool (refreshed at least annually).

3. The Board shall review succession plans at least annually, and immediately following any unexpected vacancy, with confidentiality preserved through appropriate protocols.