



Investment Co-operative Society Ltd

You Invest, We Multiply

BOARD CHARTER

Stima Investment Co-operative Society Limited

P.O. Box 37895-00100

Nairobi

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A. INTRODUCTION

Stima Investment Co-operative Society Limited was registered in 2005, as an Investment Company under the Co-operative Societies Act (CAP 490) Laws of Kenya.

The Board of Directors recognize the pivotal role that the Board should play in the providing oversight towards good corporate governance in the operations of the Society. The Board has therefore developed this Charter as a tool that clearly outlines the duties, functions, powers, responsibilities operations and roles that Board members should be aware of, and embrace as they carry out their responsibilities. The Charter also sets out the administrative and procedural matters that apply to the Board of Directors and the governance of the Society.

The Board has developed this Charter in accordance with Mwongozo, the code of governance for State Corporations ("the code"). The Charter is complementary to the requirements pertaining to the Board and Board Members contained in the applicable Kenyan laws and regulations. The principles and policies contained in this Charter are in addition to, and are not intended to change or interpret any statute, law or regulations.

The Charter is subject to review from time to time and will be made available to all Board members for compliance and application. The Charter will also be posted on the Stima Investment Co-operative Society website, for the information of the stakeholders.

Vision

The Stima Investment Co-operative Society's vision is to be "Innovative in Wealth creation"

Mission

To invest members' funds in the most viable and secure ventures, through prudent management of resources to secure maximum returns, growth and sustainability.

Innovative

We are innovative in meeting our customers changing needs while taking calculated risks in wealth creation.

Caring

We care about our customers' lives and investments and we are passionate in ensuring that they are secured and grown.

Team work

We work hard together as a team, because we understand that we are critical to success of SIC - each role matters.

Integrity

We uphold integrity in all our operations. We are reliable.

Professionalism

We shall ensure we remain professional in all our dealings both with our internal and external stakeholders.

B. DEFINITIONS

The Board

The body of persons elected during the Annual Delegates Meeting to oversee the management of Stima Investment Cooperative Society and acts as the governing body.

Board Charter

Is the formal document that defines the Board's roles, responsibilities, functions and structures. The Board Charter guides Board members in carrying out strategic oversight function.

Fiduciary Responsibility

Refers to the duty that requires Board members to act in good faith, with care and skill. To act prudently and in the best interest of the Society.

Governance

Is the structure and system of rules, practices and processes by which an organization is directed, controlled and held accountable. It encompasses authority, accountability, stewardship, leadership, direction and control exercised in organizations. Governance essentially involves balancing the interests of the many stakeholders in an organization (Shareholders, Management, Customers, Suppliers, Financiers, and the Community).

Board Member

Any member of the Board of Stima Investment Cooperative Society and any co-opted Committee members, including the Chief Executive Officer, shall collectively referred to as "Board Members".

C. STATEMENT ON GOOD GOVERNANCE.

Stima Investment Cooperative Society is committed to high standards and applies strict rules of conduct, based on the best corporate practices. As part of this commitment, the Society adheres to good corporate governance by embracing the following principles:

1. To observe high standards of ethical and moral behavior;
2. To act in the best interests of the Society;
3. To remunerate and promote fairly and responsibly;
4. To recognize the legitimate interests of all stakeholders;
5. To ensure that the organization operates as a good corporate citizen; and
6. To ensure an effective corporate governance frame work.

In general, Board members shall act in the best interest of the Society and uphold their fiduciary responsibilities and duty of care. This involves not disclosing confidential information, avoiding real and perceived conflicts of interest, and favoring the interest of Society over other interests. They will act honestly and in good faith so as to create a culture built on principles of integrity, accountability and transparency.

D. GUIDING PRINCIPLES

In line with Section 3 of the Leadership and Integrity Act No.19 of 2012, Laws of Kenya, the Commissioners shall respect the values, principles and the requirements of the Constitution including:

1. The national values and principles provided for under Article 10 of the Constitution;
2. The rights and fundamental freedoms provided for under Chapter Four of the Constitution;

3. The responsibilities of leadership provided for under Article 73 of the Constitution;
4. The principles governing the conduct of State Officers provided for under Article 75 of Constitution;
5. The educational, ethical and moral requirements in accordance with Article 99(1)(b) and 193(1)(b) of the Constitution; and
6. The values and principles of public service as provided for under Article 232 of the Constitution.
7. The principles espoused under the Leadership and Integrity Act No.19 of 2012 laws of Kenya.
8. The rule of law as stipulated in the Constitution and other laws applicable in Kenya.

E. OBJECTIVES OF THE CHARTER

- a) To enable Board members, uphold national values, leadership, integrity, and principles of governance in accordance with the Constitution and the respective laws of Kenya.
- b) To enable Board members be aware of their duties and that they act in the best interest of the Society and its stakeholders.
- c) To ensure that all Board members apply principles of good governance in their performance of duty, on behalf of the Society and stakeholders.

F. THE BOARD OF DIRECTORS

The Board of Directors is the body of appointed members who jointly oversee the activities of the Society. The Board of Directors is expected to provide the strategic direction, exercise control and remain accountable through effective leadership, enterprise, integrity and good judgement. It should be diverse in its composition, be interdependent but flexible, pragmatic, objective and focused on balanced and sustainable performance of the organization.

a) Size of the Board

The Board shall have the minimum of seven (7) and maximum of nine (9) members as provided for in section 41 of the by-laws of Stima Investment Co-operative Society Limited (revised 2005?).

b) Composition of the Board

The Board should ensure that:

- i. Its composition complies with the requirements in the Constitution of Kenya and any other applicable legislation;
- ii. Its members can act independently;
- iii. Each member understands the broad outline of the organization's policies;
- iv. Each member is in good standing professionally and has sufficient expertise to perform his or her role; and
- v. At least one member is financial expert, meaning that he or she has expertise in financial management and accounting.

c) Appointment of Board of Directors

- i. The Board of Directors shall consist of minimum of seven (7) and maximum of nine (9) members elected from delegates. The executive Committee shall include of chairman, Vice chairman, treasurer and Secretary
- ii. The Chief Executive Officer of Stima investment shall be an ex - officio member of the Board.
- iii. If during its term of office, a vacancy occurs in the Board of Directors it may and, if the number of members of the Board is thereby reduced below five (5), shall co-opt a delegate to fill such vacancy. Such delegate shall serve on the Board until the next general meeting of the Society at which the decision shall be ratified. The said Board shall be eligible for re-election.
- iv. If a member of the Board is removed by resolution of a General Annual Delegates Meeting of the Society, that meeting shall forthwith elect another qualified member of the Society to fill the vacancy thereby created in the Board in accordance with the Act, Rules and the Society By-laws.
- v. The quorum for the conduct of the business at a meeting of the Board shall be five (5) members thereof, personally present.

- vi. The Chairman, if present, shall preside at every meeting of the Board. If the Chairman is absent from or declines to preside for good reasons such as conflict of interest at any meeting of the Board, the Vice - Chairman shall preside. If neither the Chairman or Vice - Chair is present at a meeting, the members of the Board, being a quorum shall elect one of their members to preside at that meeting.

d) Independence of the Board of Directors

All members of the Board of Directors, should recognize that they owe their duties to Stima investment cooperative Society and not their appointing authority.

e) Removal/resignation from the Board

- i. A member of the Board may resign at any time by giving a notice, in writing, to the Chairperson. The resignation shall take effect upon receipt of notice by the Chairperson or at any later time specified therein; unless otherwise specified in the notice, the acceptance of such resignation shall not be necessary to make it effective.
- ii. Members of the Board shall be elected, suspended or removed only by a resolution of the Society in Annual Delegates Meeting provided that a majority of the total number of members of Committee may, for good cause suspended one of the members of the Board. Any such suspension shall be confirmed or otherwise by the Society at its next Annual Delegates Meeting.
- iii. If a member of the Board fails to attend three consecutive meetings without being excused therefrom, or otherwise fails to perform his duties, his position may be declared vacant and the vacancy filled as provided in the Society laws
- iv. A member of the Board, or any other Committee, shall cease to hold office if he ceases to be a delegate and a member of the Society or as stipulated in the Societies Act, Rules and Society By-Laws.

f) Chairperson of the Board

The Chairperson of the Board is primarily responsible for the activities of the Society and its Committees. The role of the Chairperson includes approving the

agenda for Board meetings and ensuring that a record of proceedings of all Board's activities is kept.

The Chairperson shall preside at all meetings of the members and at meetings of the Board of Directors. He shall perform such other duties as he/she may be directed to perform by the Board of Directors, not inconsistent with provisions of the Act, the rules and the Society by laws.

The Vice-Chairperson shall perform the duties of the Chairperson during his absence, and shall perform such other duties as he may be directed to perform by the Board of Directors.

The Chairperson should act as the spokesperson for the Society and is the principal contact for the CEO.

The Chairperson will ensure that:

- i. The Board performs its duties and responsibilities;
- ii. The Board members are inducted after appointment and thereafter are continually developed based on identified development needs;
- iii. Board members receive all information required for them to perform their duties
- iv. The Board develops and adheres to an annual work plan;
- v. The Board has sufficient time for consultation and decision making;
- vi. The Board constitutes Committees and that the Committees function properly;
- vii. The performance of the Board, members, the CEO and the Society's Secretary is evaluated annually;
- viii. Problems relating to the performance of individual Board members are addressed;
- ix. Internal disputes and conflicts of interest concerning individual Board members are addressed and;
- x. The Board has appropriate contact with the management.

g) Chief Executive Officer

The CEO is an *ex-officio* member of the Board with no voting rights.

The CEO and the Board play separate and distinct roles but will work together to achieve Stima Investment Co-operative Society's goals. The Board is responsible for appointing the CEO, through a competitive process, and for removing him/her. The Board should also assist the CEO in selecting the management team and put in place a succession plan for both CEO and the team.

The CEO is responsible for overseeing the execution of the Board's direction and policies to ensure desirable outcomes. The CEO therefore serves as the link between the Board and the management.

The Board will provide CEO with the:

- i. Defined performance goals and authority levels;
- ii. An attractive remuneration package;
- iii. Regular formal performance review feedback;
- iv. Constructive informal feedback on job performance;
- v. Reward for exceptional performance; and
- vi. Prompt response to request for guidance.

The CEO should:

- i. Demonstrate commitment to the organization's vision, mission, core values and mandate;
- ii. Achieve set performance objectives and targets;
- iii. Put in place effective administrative structures, processes and systems;
- iv. Provide regular, thorough and prompt communication to the Board on key technical, financial and administrative matters;
- v. Effectively represent Stima Investment Cooperative Society to stakeholders and enhance its public image; and
- vi. Promptly respond to Board members' requests for information.

h) Corporate Secretary

The Board will be assisted by a suitably qualified competent and experienced Corporate Secretary. The Corporate Secretary should satisfy the requirements of chapter six of the Constitution on leadership and integrity and be a Certified Public Secretary in good professional standing.

The Board will empower the Corporate Secretary to efficiently and effectively execute his or her duties and responsibilities. The Board is responsible for the appointment and removal of the Corporate Secretary.

The principle duties of the Corporate Secretary are:

- i. Providing guidance to the Board and Board members individually on their duties, responsibilities and powers and how these should be exercised in the best interests of Stima investment cooperative Society;
- ii. Ensuring that Board procedures are followed and reviewed regularly, and that the Society complies with the law , rules and regulations ;
- iii. Assisting the chair person in organizing Board activities, including providing information, preparing agenda, issuing notices and preparing for meetings, Board evaluations and Board development programs;
- iv. Providing secretarial services to the Board including ensuring that the Board work plan is prepared and adhered to, circulating Board papers in advance of the meeting, keeping a record of attendance at meetings, keeping safe custody of the seal and a record of its usage;
- v. Ensuring that the minutes of the Board and Committees are promptly prepared and circulated;
- vi. Keeping the Board members abreast of, and informed on current governance thinking and practice; and
- vii. Coordinating the governance audit process.

i) Relationship between Board of Directors and management.

The Board and management shall execute their mandate in an environment of mutual trust and respect having regard to the principles of good governance. In this regard, the

Board shall provide clear and distinct lines of responsibility and accountability and maintain effective channels of communication.

j) Committees of the Board

To effectively discharge its mandate, the Board shall establish Committees with specific Terms of Reference.

The Board shall appoint into Committees, Board members with requisite skills and competence to discharge allocated responsibilities. In the event that a Committee lacks specific skills within its membership, the Board may, (with the approval of the oversight body), Co-opt skilled non-members to serve on the Committee provided that the Chairperson of a Committee shall not be a co-opted member or the Chairperson of the Board. The Board may from time to time, rotate Board members between the Committees. The Board shall remain collectively responsible for the decisions and actions taken by any Committee. A Committee may only perform the tasks delegated to it by the Board and may not exceed the authority or power of Board.

The Chairperson of each Committee, in consultation with the Board of Directors, will determine the frequency of Committee meetings as is necessary to fulfil the Committee's functions and in accordance with the bylaws.

The Chairperson of each Committee, in consultation with management, will develop the Committee's agenda. The Board will however determine the procedure and process within which Committees may take independent professional advice at the expense of Stima Investments Cooperative Society.

The Committees will promptly report to the Board of Directors any actions taken for ratification /approval and any major developments that they become aware of. The Board shall, set out in the terms of reference of the respective Committee, receive a report of the Committee's findings and recommended actions.

The Board shall establish the following standing Committee: -

1. Human resource Committee
2. Audit Committee
3. Finance and Investment Committee

The Board may establish other Ad Hoc Committees to deal with any issue.

The terms of reference of any Committee of the Society shall be developed by Board of Directors.

G. PRACTICES OF THE BOARD OF DIRECTORS

a) Board responsibilities

The basic responsibility of the Board members is to exercise their best judgement and to act in a manner that, they reasonably believe to be in the best interest of the Society and its stakeholders. In discharging that obligation, the members shall be entitled to rely on the honesty and integrity of the Society's management, staff and its external professional advisors and auditors.

In furtherance of its responsibilities, the Board shall:

- i. Determine the Society's mission, vision, purpose and core values;
- ii. Review evaluate and approve, on regular basis, long term plans;
- iii. Review, evaluate and approve the annual budget and financial forecast;
- iv. Review, evaluate and approve major resource allocations and capital investments;
- v. Ensure that the procurement process is cost-effective and delivers value for money;
- vi. Review and approve the operating and financial results of Society;
- vii. Ensure effective, accurate, timely and transparent disclosure of pertinent information on the Society's operations and performance;
- viii. Ensure that effective processes and systems of risk management and internal controls are in place;
- ix. Review, evaluate and approve the overall organizational structure, the assignment of senior management responsibilities and plans for senior management development and succession;
- x. Review, evaluate and approve the remuneration structure of the Society;
- xi. Adopt, implement and monitor compliance with the Society's code of conduct and ethic;

- xii. Review periodically the Society's strategic objectives and policies relating to sustainability and social and social responsibility investment;
- xiii. Protect the rights of shareholders and optimize shareholder value;
- xiv. Enhance the Society's public image and ensure engagement with the stakeholders through effective communication;
- xv. Monitor compliance with the Constitution, all applicable laws, regulations and standards; and
- xvi. Review, monitor and ensure that the Society is effectively and consistently delivering on its mandate.

b) Responsibilities of individual Board Members

Each Board member shall;

- i. Exercise the highest degree of care, skill and diligence in discharging their duties;
- ii. Act in the best interest of the organization and not for any other purpose;
- iii. Act honestly at all times and must not place themselves in a situation where their personal interests conflict with those of the Society;
- iv. Exercise independent judgement;
- v. Devote sufficient time to carry out their responsibilities, regularly update their knowledge and enhance their skills;
- vi. Promote and protect the image of the Society;
- vii. Owe their duty to the Society and not to the appointing authority; and
- viii. Owe the Society the duty to hold in confidence all information available to them by virtue of their position as Board members.

c) Principles of public service

The Board, in performing its functions, shall be guided by the principles of public service as provided in chapter thirteen of the Constitution of Kenya, which include:

- i. High standards of professional ethics;
- ii. Efficient, effective and economic use of resource;
- iii. Responsive, prompt, effective, impartial and equitable provision of services;
- iv. Involvement of stakeholders in policy making;
- v. Accountability for administrative acts;
- vi. Transparent and timely provision to the public of accurate information;
- vii. Fair competition and merit as the basis of appointments and promotions;
- viii. Representation of Kenya's diverse communities; and
- ix. Affording, adequate and equal opportunities for appointment, training and advancement, at all levels of the Society of men and women, members of all ethnic groups and persons with disabilities.

d) Board and Committee meetings

Boards meetings will be held at least once every month, with provision for three an-hoc meetings. A schedule of dates of meetings will be agreed upon by the Board members and set out in the Board members' work plan. Notices of the location and the timing of meetings will be issued seven (7) days prior to the meetings. The Board member's work plan may be adjusted, if deemed necessary by the Board of Directors.

The quorum for Board meeting shall be five (5) members.

The quorum for Committee meetings will not be less than three (3) Board members. Board members are expected to attend Board meetings and meetings of the Committees on which they serve. The Chairperson, CEO or Committee Chairpersons may from time to time invite Senior managers, other employees and advisors to attend Board or Committee meetings whenever deemed appropriate. The Board of Directors should set aside adequate time, annually, to discuss strategy and policy matters.

e) Notice and agenda for a meeting

Notices and agenda of Board and Committee meetings will be issued from the Corporate Secretary as directed by the Chairperson of the Society or relevant Committee. Each Board member is free to suggest the inclusion of items on the agenda by providing notice to the Chairperson at least fourteen (14) days prior to the meeting,

to enable preparation. Additional agenda items may be included in the agenda during the meeting subject to approval by the Board or Committee.

Save for the additional agenda items the agenda for the meetings will be aligned to the Board's work plan which will establish a schedule of agenda subject to be discussed during the year to the degree this can be foreseen.

Except for urgent cases, as determine by Chairperson, detailed agenda accompanied by relevant supporting documents and recommendations will be provided to the Board members at least seven (7) days prior to meeting. Board members should review these materials in advance of the meeting to enhance effectiveness.

f) Venue of the meetings

Board and Committee meetings are generally held at the head office of the Society, but may also take place elsewhere with relevant approvals. The time and venue of the meetings should be clearly communicated in the notice for the meeting. In addition, meetings of the Board or Committees may be held by video or conference call or by any other means of communication approved by the commission, provided that all members have been given prior notification and they can communicate with each other simultaneously.

g) Attendance of the meetings

The CEO shall attend all Board meetings and, if requested by the Board, other members of the senior management shall also attend Board meeting in whole or in part. A Board member who is unable to attend a meeting will explain their absence to the Chairperson and notify the corporate Secretary for the purpose of recording the apology.

h) Procedure for the meetings

i. Chairing of meetings

Board meetings shall be chaired by the Chairperson of the Society or in the case of a Committee meeting, the Chairperson of that Committee. In absence of the Chairperson, the Vice Chairperson will chair the meeting, and his or her absence, one of the Board members designated by the Board members present at the meeting will chair.

ii. Protocol of the meeting's

The Chairperson, having ensured that the meeting is properly constituted, will also ensure that at an appropriate time during meeting, the minutes of the previous meeting are confirmed and matters arising there -from handled

A special meeting of the Board or Board Committee will not discuss any matter other than that specified in the agenda.

The conduct of Board meetings may also be undertaken through tele/video conferencing, in the case where some of the participants will not be physically present. The following guiding principles shall apply: -

- a) The Society Secretary shall ensure that the constitutive documents of the organization allow for tele/ video conferencing;
- b) The Society Secretary shall ensure that the necessary arrangements are in place to facilitate effective and secure communication during the meeting;
- c) On sending out the notice of the meeting, the Society Secretary shall confirm whether each Board Member or participant will attend physically or through tele/video conferencing
- d) At the start of the scheduled meeting and for the purpose of confirming quorum, a record of attendance shall be taken during which each Board Member or participant will clearly state, for the record, their full name, location, type of device being used and give confirmation that they can clearly hear the others;
- e) All Board Members or participants shall identify themselves for the record before speaking and must confirm that they can clearly hear and/or see each other in the course of the meeting;
- f) If a statement of a Board Member or participant in the meeting via tele/video conferencing is interrupted or garbled, the Chairperson shall request for a repeat or reiteration;
- g) The Chairperson should ensure that resolutions are clarified for record purposes; and
- h) The Chairperson should ensure that the agenda is suitable for tele/video conferencing.

iii. *Decision-Making*

The Board Members, with the guidance of the Chairperson, should work towards unanimous adoption of resolutions. However, Board Members are entitled to voice dissenting opinions and have these recorded in the minutes when unanimity cannot be reached. Resolutions of the Board will be made at Board Meetings or approved in writing by circulation, provided that in respect to the latter the proposed resolution is submitted to all Board Members and none of them objects to this form of adoption. Approval of resolutions by circulation shall be effected in writing by all Board Members. Objection to this method of adoption or to the proposed resolution should also be in writing.

iv. *Resolutions and Minutes*

Minutes must be drawn up for every Board and Committee meeting with resolutions highlighted therein. The minutes should be circulated to the Board members as soon as possible after the meeting. Upon confirmation, the minutes should be signed by the Chairperson and added to the records of the organization. Substantial corrections to previous minutes will be recorded in the minutes of the meeting where the corrections are made and adopted by the Board Members. Urgent resolutions may be drawn up and signed immediately in the relevant meeting.

v. *Implementation of Resolutions*

Generally, the Board delegates to the CEO responsibility to implement the resolutions of the Society. The CEO may delegate some of the responsibilities to senior management. The Board is responsible for monitoring the implementation of the resolutions.

i) *Liability of Board members*

A Board member shall not be liable for any act done in good faith in carrying out duties and responsibilities in the Society. However, there is no limitation of liability for negligence or breach of the member's duty of care to the organization or its stakeholders, or for acts or omissions not in good faith, or which involve intentional misconduct or violation of the law.

j) *Conflict of interest*

A conflict of interest may arise where a Board member or close family member such as a spouse, child, parent or sibling has private interests that could improperly influence the performance of the Board member's official duties and responsibilities. Conflict may

also arise where a Board member uses their office for personal gain. Board members are required to avoid conflict of interest and deal at arms-length in any matter that relates to the organization. However a Board member who identifies an area of conflict shall be required to disclose any actual or potential conflict of interest to the Board.

In so reporting, the Board member is required to provide all relevant information, including information which relates to their immediate family members by blood or marriage which is related to the area of conflict. When declared, the Board member shall abstain from decisions on the matter where the conflict exists. The Board's Secretary shall keep a record of conflicts of interest declared for accountability purposes, and as a rule of good practice on appointment and on regular intervals or at any time when circumstances change, all Board members shall in good faith disclose to the Board for recording, any other business or interest likely to create a potential conflict of interest.

k) Notice of other Directorships

Board members should carefully consider the number of other Boards on which they can serve, consistent with the time and energy necessary to satisfy the requirements of Stima Investment Cooperative Society provided that a Board member shall not serve in more than three Boards of state corporations concurrently. In furtherance of these considerations, Board members shall notify the appointing authority in a timely fashion before accepting an invitation to serve on the Board of another public or private body. This prior notice is to allow discussion with the Chairperson of the Society and to obtain legal advice on whether such other service will interfere with the Board member's independence or create an actual or apparent conflict of interest

l) Board member access to employees

Board members will have full and free access to employees, but such access will be arranged through the CEO. The Board members will use their judgment to ensure that any such access does not disrupt the operations of Stima investment cooperative Society Limited.

m) Independent advisors

Board members may individually and collectively seek independent advice in connection with their duties as and when required. independent professional advice for the purposes of this Charter shall include legal advice , advice on matters of governance, the advice of accountants and other professional financial advisors on matters of law, accounting and other regulatory matters but shall exclude advice

concerning the personal interests of the director concerned, such as matters relating to their appointment or disputes with Stima Investment Cooperative Society Limited.

n) Interaction with stakeholders

Only designated representatives of the Society shall communicate on behalf of the Society with the government, media, social media, stakeholders and the general public.

o) Induction and continuous skills development

The Society will provide new Board members with an effective induction programme with necessary materials in order to familiarize them with their responsibilities as Board members, general principles of corporate governance and Board of director's practices. The induction programme will also provide the Board members with an orientation of the organization, strategic plans, financial status and policies, risk management, compliance programs and the code of conduct and ethics. The Society will ensure that a competence needs assessment is carried out periodically and an annual development plan prepared to address identified gaps. In this regard, Board members will be provided with access to, or notice of, continuing development programs that are designed to keep members abreast of the latest developments in sector best practice, corporate governance and critical issues relating to the operation of public sector Boards. The Society will satisfy itself that its members are up to date with continuous professional development in their respective professional bodies

p) Remuneration

Board members shall be remunerated for their services in accordance with the prevailing relevant legislative provisions and /or guidance from the relevant authority. In line with best practice, the remuneration should include, attendance allowances per Diems where applicable and honoraria.

q) Performance

The Board will conduct an annual evaluation to appraise its performance. This evaluation will be carried out in accordance with the evaluation tool. The Board evaluation provides an opportunity for Board members to identify strengths, collective skill gaps and individual areas of improvement. The Board will also review the performance of each Committee against the agreed terms of reference. The Board will also evaluate the performance of the CEO and corporation Secretary.

r) Commission and management succession

The Society will put in place a succession plan for both the Society and management and review the same regularly.

s) Governance audit

The Society will ensure that a governance audit of Stima Investment Cooperative Society Limited is undertaken on an annual basis. The purpose of the governance audit is to ensure that the organization conforms to the highest standards of good governance. The governance audit should cover the following parameters among others;

- i. Leadership and strategic management;
- ii. Transparency and disclosure;
- iii. Compliance with laws and regulations;
- iv. Communication with stakeholders;
- v. Society's independence and governance;
- vi. Society's systems and procedures;
- vii. Consistent shareholder and stakeholders value enhancement; and
- viii. Corporate social responsibility and investment.

This Board Charter is effective from 21 day of April 2021

Signed:


Chairperson

