

GROUP NOMINATION AND GOVERNANCE COMMITTEE

TERMS OF REFERENCE

1. APPOINTMENT AND MEMBERSHIP

- 1.1 At its meeting held on 15th March, 2004, the Board (hereinafter referred to as “the Board”) of HF Group Plc (hereinafter referred to as “the Company”) established a Board Committee to be known as the Board Nominating and Remuneration Committee. At the Company meeting held on 21st April 2015, the Board resolved to rename the Committee the “Group Nomination and Governance Committee” (hereinafter referred to as “the GN & G Committee”).
- 1.2 The GN & G was established for the purposes, goals and responsibilities as set out hereinafter and in particular to consider matters related to the proposing of new nominees for the Group Board and its Subsidiary and Board Committees, for assessing the performance and effectiveness of the Board of Directors, the Executive Directors and the Senior Management in Grades M5 to M7.
- 1.3 In renaming the Committee, the Group Board took cognizance of the fact that good corporate governance is regarded as critical to the success of the business of the Group and that the Group Board is unreservedly committed to applying the fundamental principles of good governance, transparency, integrity and accountability in all dealings by and in respect of and on behalf of the Group. Accordingly, ensuring that good corporate governance principles are applied across the Group Companies is a key role for the GN & G Committee.
- 1.4 Members of the GN & G Committee shall consist of a minimum of three (3) members, including the Committee Chairman, and the Group Chief

Executive Officer shall be an ex officio member. All the members shall be appointed by the Group Board which shall determine the maximum number from time to time. The majority of the members shall be independent and Non-Executive Directors of the Company with substantial knowledge about compensation arrangements.

- 1.5 The Chairman of the GN & G Committee shall be appointed by the Group Board from among the independent Non-Executive Directors.
- 1.6 The Group Board shall have the absolute power to appoint and remove any member of the GN & G Committee and to fill all casual vacancies that may arise from time to time.
- 1.7 A member's term of office shall be fixed by the Group Board and shall be tied to the member's term of office as Director.
- 1.8 The Group Board shall periodically review the composition of the GN & G Committee and make any changes deemed appropriate.
- 1.9 The Group Board shall decide on which non-members may be invited to attend the meetings of the GN & G Committee, but without any voting rights.
- 1.10 The Secretary to the GN & G Committee shall be appointed by the Committee and once so appointed shall deal with procedural matters including keeping of minutes, calling of meetings and distribution of information among other matters.
- 1.11 Meetings of the GN & G Committee shall be held not less than three (3) times in a year or at the request of the Group Board. A quorum shall consist of two (2) members present in person including the Chairman.

2. POWERS AND DUTIES CONFERRED UPON THE GN & G COMMITTEE BY THE GROUP BOARD

2.1 The Group Board may from time to time delegate tasks or duties to the Committee and require that the Committee carries out such tasks reporting back to the Group Board.

2.2 The principal role of the GN & G Committee is to recommend to the Group Board qualified persons with relevant experience knowledge and independence of judgment who are suitable for appointment as new Directors to the Group Board and its Subsidiaries and to consider remuneration of the Directors and of the Senior Management (Grade M5 and above) as a whole and in carrying out its duties and responsibilities the GN & G Committee undertakes;

- a) To regularly review the structure, size and composition of the Group Board, its Subsidiaries and Committees and make recommendations on any adjustments deemed necessary.
- b) To satisfy itself with regard to succession planning, that processes and plans are in place with regard to both the board and senior management appointments.
- c) To recommend the continuation (or not) in service of any director who has reached the Institution's retirement age limit;- Directors may not be more than 70 years old but may continue to hold office if shareholders vote to retain a director over the age of 70 years.
- d) To identify, select and recommend to the Group Board competent, fit and proper persons qualified for appointment to the Group Board, its Subsidiary Boards and Committees. The persons selected should be persons who are able to be committed to the Company and who have time not only to attend scheduled meetings of the Group Board, its Subsidiary Boards and of the respective Committees, or to join in an away-days to discuss strategy but also those who are in a position to give whatever time is needed in order to resolve any

challenges with which the Group Board may be faced from time to time.

e) Towards this end, the appointment to the Board shall be guided by the following: -

- Commitment to the principles of good governance;
- Ability and willingness to live the vision, mission and values of HF Group Plc;
- Gender diversity;
- Academic excellence;
- Professional skills;
- Independence;
- Geographical representation;
- Integrity;
- Age;
- Business experience;
- Expertise in relevant fields e.g. financial markets, legal, marketing, public relations, IT, Property, Insurance etc;

2.3 From time to time, to make recommendations to co-opt a Director from the Group or any of the Subsidiaries to sit in any of the Group or Subsidiary Board Committees, according to criteria that it determines to be in the best interest of the Company and its shareholders, and the Board shall make a final determination relative to such committee assignments. In making its recommendations to the Board, the Group Nomination and Governance Committee shall take into consideration the need for continuity, subject matter expertise, applicable CBK and CMA requirements, the Companies Act requirements, tenure, and the desires of the individual Board members.

2.4 To select or recommend that the Group Board selects nominees for approval by the next AGM keeping in mind the fact that a good Non-Executive Director needs to be independent, and should have intellect, integrity and courage, and particularly courage, to bring an independent view point to bear on issues of strategy and governance in addition to the running of the business as a whole.

- 2.5 To ensure that a majority of the Directors are Non-Executive. At least one-third of the board are Independent. The criteria for determining the independence of an independent director shall be in line with the criteria laid down in the CMA Code of Corporate Governance.
- 2.6 To ensure that the Independent Directors are appointed for a term of three years, which term may only be renewed twice.
- 2.7 To ensure that composition of the Group Board, its Subsidiaries and the respective Board Committees are planned with strategic considerations and the objectives of the Group in mind and to formulate a policy with regard to candidates put forward by the major shareholders, the main stakeholders and/or the Chief Executive Officer.
- 2.8 To Identify and recommend to the Group Board a set of good Corporate Governance principles applicable to the Group and to promote Director Professionalism on the Group Board, its Subsidiaries and respective Committees.
- 2.9 To ensure that the Chairman of the Group Board is an Independent and Non-Executive Director and that the roles of the Chairman and Chief Executive Officer are separate.
- 2.10 To ensure that the requirements on independence as stipulated in the Code of Corporate Governance for listed Companies are adhered to i.e. according to the requirement, an independent director is a member of the board of directors who does not have a material or pecuniary relationship with the Company or related persons, is compensated through sitting allowances, does not own more than 5% of the shares in the Company (or as shall be defined by legislation from time to time) and after nine years of service, a continuing independent director ceases to be one and assumes the position of a non-independent director.
- 2.11 To ensure that the Chairperson does not hold such position in more than two listed companies at any one time;- a director does not hold

more than 3 directorships in listed companies;- an executive director does not hold more than one other directorship of another listed Company.

- 2.12 To regularly review the independence, mix of skill and experience of Board Members in order to ensure that:
- a) The mix of Directors is appropriate and compatible with the needs of the Board and the Company, with a majority non-executive and at least one third independent directors.
 - b) Every non-executive director commits adequate time to his/her responsibilities and contributes effectively, and that, based on the priority needs of the Board and the Company, the Group Nomination & Governance committee will recommend to the Board qualified, competent fit and proper persons to be nominated for election to the Board.
- 2.13 To ensure that all non-executive directors submit themselves for re-election at regular intervals and in accordance with the Memorandum and Articles of Association of HF Group Plc.
- 2.14 To ensure that re-appointment of Directors whose terms have expired is on the basis of their performance and conduct in addition to fulfilling the requirements under this Clause.
- 2.15 To ensure Directors are issued with formal appointment letters setting out main terms and conditions.
- 2.16 To ensure that no person shall be appointed as a Director if he/she:
- has served in any senior civil servant or any public servant position, that would give rise to a real or perceived conflict of interest with HF Group Plc, within two years of the date of his or her appointment to the Board.
 - has been found to have committed, and is under any investigation for bribery, fraud, corruption, anti-money laundering, terrorism financing, or any illegal activity by any investigative, administrative, civil or judicial body.
 - Has been charged with, convicted of or under investigation for a crime.
 - has caused or is causing any material reputational risk and/or damage to the Company due to past or present personal or external activities.

- is an immediate family member (spouse, parent, or natural, adoptive or step child) of any officer of a public or private entity that supervises, reviews, audits, finances, or regularly conducts business with the Company.
- has violated the Code of Conduct for directors.
- is disqualified under the Companies Act 2015

- 2.17 To ensure that a Governance Audit is carried out periodically by a Certified Governance Auditor to check on the level of compliance with sound governance practices.
- 2.18 To have the sole authority to retain and terminate any search firm to be used to identify Director candidates, including sole authority to approve the search firm's fees and other retention terms and all expenses reasonably incurred by the Committee in exercise of its duties shall be borne and paid by the Company after approval by the Group Board.
- 2.19 To ensure that the annual performance evaluation of the Group Board and its Subsidiary Boards is undertaken and if need be to appoint a Consultant to undertake the evaluation.
- 2.20 To ensure that induction of new Directors is undertaken. The Induction should focus on their fiduciary duties, their responsibilities and the Group Board's expectation of them to enable the new Directors to familiarize themselves with the Company's Senior Management, its operations and business environment.
- 2.21 To ensure that Directors attend at least twelve hours of board development annually on matters relevant to legal reforms, corporate governance, changing corporate environment, business/commercial risks and other matters that may be of interest in the execution of their role. The training shall cover the following areas:
- Role, duties and responsibilities of the Board and directors;
 - Rights and obligations of a director;

- Statutory liabilities and duties of a director under criminal and company law;
- Board practices and procedures;
- Corporate strategy and organization;
- Disclosure and communication policies;
- Financial management systems, internal control procedures and internal audit;
- External Audit and the Board;
- The Corporate Environment;
- Performance targeting, monitoring and evaluation;
- Risk Management;
- Information Technology and information to the Board;
- Any other matters of interest to the Board.

2.22 In performance of its duties and responsibilities the GN & G Committee undertakes to be sensitive to age, race and gender representation and to promote a national outlook in the promotion of good corporate governance as per the Board Diversity Policy.

2.23 In furtherance of its duties and responsibilities the GN & G Committee:

- will have access to resources of the Company and the reports and the working papers of the Human Resources Division and full access to any information of the Company.
- May obtain professional advice and, if necessary, invite professionals with relevant experience to attend the GN & G Committee meetings or to carry out such work as shall be deemed necessary.
- May invite any Director of the Group or any others Staff member or a person connected directly or otherwise with the Group to assist with and participate in the activities of the Committee.

3 REMUNERATION

3.1 In its remuneration duties the GN & G Committee shall assess and evaluate the implementation of Human Resource management and

development policies as set out in the Policy on Corporate Governance for HF Group and Guide to Best Practice and in particular to:

- a) Steward the recruitment and appointment process for the Executive Directors and the Senior Management in Grades M5 to M7
- b) Monitor the recruitment and appointment of Managerial cadre Staff in Grade M 4 and below in accordance with the Group policy.
- c) Monitor and evaluate Staff training and development policies and their implementation.
- d) Evaluate the implementation of performance appraisal at all levels in the organization.
- e) Monitor the development and implementation of the Human Resources Management and Development Manual and its continuous review.
- f) Consider and recommend to the Group Board compensation proposals for the Executive Directors and Senior Management Staff Grades M5 to M7 including basic salary, benefits and pension arrangements.
- g) Consider the pay structure for the Company and for the industry through salary surveys in coming to the recommendation about pay of the Executive Directors and Senior Management, taking into account the fact that the results of a company are of the entire workforce as a whole.
- h) Develop for Group Board approval, a remuneration policy that creates a reward system to recruit and motivate high quality Executive Directors and Senior Management thereby linking reward to performance while taking into account the three elements of

compensation in the remuneration of Executive Directors and Senior Managers such as the salary, performance bonus for surpassing the expected targets and benefits.

- i) Take into account the principle that performance related elements of remuneration should form a significant proportion of the total remuneration package and consider what compensation commitments (including pension contributions) the contracts of service, if any, would entail in the event of early termination.
- j) Consult with the Group Chairman as Group Board Chairman and/or the Group Chief Executive Officer over their proposals. The Committee shall be entitled to whatever advice deemed necessary from inside and outside sources and shall be authorized to retain a compensation consultant to assist in the evaluation of Directors, the Executive Directors or Senior Management compensation and shall have authority upon consultation with the Chairman of the GN & G Committee to terminate the consulting firm including authority to approve the firm's fees and other retention terms for Group Board Approval and such a firm shall report directly to the GN & G Committee.
- k) Consider and recommend to the Directors disclosure requirements in accordance with the legal and regulatory framework and the policy on Corporate Governance.

4 The Capital Markets Authority Guidelines

- 4.1 The Code of Corporate Governance for Issuers of Securities to the Public 2015 published by Gazette Notice Number 1420 under the Capital Markets Act (Cap 485A) shall apply to the GN & G Committee and shall be an integral part hereof.

5 Review of Terms of Reference:

- 5.1 There will be periodic review of the Terms of Reference at least once in three years and the responsibility of this rests with the Secretary to the Committee.

APPROVED BY THE HF GROUP BOARD 6th November 2020