

APPENDIX 4

EAST AFRICAN BREWERIES LIMITED

(the "Company")

NOMINATIONS AND REMUNERATION COMMITTEE

TERMS OF REFERENCE

Constitution

The Nominations and Remuneration Committee (**the "Committee"**) was formally constituted by Ordinary Resolution passed by the Board of Directors of East African Breweries Limited (**the "Board"**) on 30th July 2015.

The Committee is responsible for:

- reviewing succession planning within the Board and identifying and nominating suitable candidates to fill vacancies on the Board, Board Committees and EABL subsidiaries Boards as and when they arise;
- overseeing evaluation of the Board;
- reviewing and recommending to the Board the remuneration of management and Independent non-executive directors and staff incentive schemes, amongst other matters relating to employee terms and conditions of employment; and
- reviewing succession planning for senior management positions.

Membership

Membership of the Committee shall be approved by the Board upon recommendation of the Committee through the Chair of the Committee. The Committee shall consist of at least three members who shall be Independent non-executive directors of the Company.

1. The Board shall appoint the Chair of the Committee who shall be an Independent non-executive director of the Company. When dealing with the matter of succession to the Chair of the Board, the Committee shall be chaired by an Independent non-executive director who is not also Chair of the Board.
2. Appointments to the Committee shall be for a period of up to three (3) years (subject to the election and re-election provisions in the Company's Memorandum & Articles of Association), which may be extended for further periods of up to three (3) years each, provided the director concerned still satisfies the independence criteria for appointment to the Committee.

Quorum

3. The quorum necessary for the transaction of business shall be two (2) directors, one of whom shall be an independent director. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

Attendance at meetings

4. The Group Managing Director, the Human Resources Director and other individuals (including representatives of external advisers) may be invited to attend all or any part of a meeting as and when appropriate in the opinion of the Committee Chair or the majority of its members.
5. The Company Secretary, or any other person selected for the task by the Committee, shall act as the secretary of the Committee.

Frequency of meetings

6. Meetings shall be held not less than three (3) times a year and otherwise as required.

Notice of meetings

7. Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee Chair.
8. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed and copies of all Committee papers, shall be sent to all members of the Committee, at least five working days before the meeting.

Authority

9. The Committee is authorized by the Board to:
 - (a) seek any information it requires from any employee of the Company in order to perform its duties;
 - (b) obtain, at the Company's expense, outside legal or other professional advice (including remuneration consultants) in connection with its duties; and such advisors may attend meetings as necessary; and
 - (c) incur any expenditure it considers appropriate in connection with the above (the Company to make available the necessary funds); and

- (d) delegate its powers in relation to particular matters to a sub-committee, determine its membership, terms of reference and the extent of its delegated powers.

Responsibilities

10. The responsibilities of the Committee shall be :

(i). With regard to matters relating to Nominations the Committee shall be responsible for:

- (a) identifying and nominating for the approval of the Board, and/or EABL Subsidiary Boards candidates to fill Board vacancies as and when they arise. In particular to:
- i. give full consideration to succession planning for directors taking into account the challenges and opportunities facing the Company, and what skills and expertise are therefore needed on the Board in the future;
 - ii. keep under review the structure, size and composition (including the skills, knowledge, experience, diversity and independence) of the Board and make recommendations to the Board with regard to any changes;
 - iii. keep under review the leadership needs of the organization, both executive and non-executive, with a view to ensuring the continued ability of the organization to compete effectively in the marketplace;
 - iv. before appointment is made by the Board, evaluate the balance of skills, knowledge, experience and independence on board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall:
 - a. determine and follow the optimal means of doing so, whether through open advertising or the services of external advisers to facilitate the search;
 - b. consider candidates from a wide range of backgrounds;
 - c. consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board (including gender), taking care that appointees have sufficient time available to allocate to the position;
 - v. review annually the time required from non-executive directors and the performance of the non-executive directors to assess whether they are spending enough time to fulfill their duties;
 - vi. review the membership of the Audit and Risk Management Committee, Nominations and Remuneration Committee and Corporate Governance

Committee and any other Board committee as appropriate, in consultation with the Chairs of those committees;

- vii. determine the re-appointment of any non-executive director at the conclusion of their specified term of office having given due regard to his performance and ability to continue to contribute to the Board in light of the knowledge, skills, experience and independence required;
 - viii. oversee the re-election by shareholders of any director under the retirement by rotation provisions in the Company's articles of association having due regard to their performance and ability to continue to contribute to the Board in light of the knowledge, skills, experience and independence required and the need for progressive refreshing of the Board;
 - ix. evaluate any matters relating to the continuation in office of any director at any time; and the appointment of any director to executive or other office.
- (b) arrange for implementation of the annual Board performance evaluation process determined by the Board and review its results of the Board in so far as they relate to the composition of the Board;
- (c) prepare, for the appointment of a Chair of the Board, a job specification, including the time commitment expected and require that a proposed Chair's other significant commitments be disclosed to the Board before appointment;
- (d) so far as is practicable, arrange for all directors to have the opportunity to meet with potential external appointees before their appointment is formally proposed at a Board meeting and ensure that any possible conflict of interest issues in respect of external candidates are fully addressed;
- (e) ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of commitment, committee service and involvement outside board meetings; and
- (f) keep up to date and fully informed about strategic issues and commercial changes affecting the company and the market in which it operates.
- (ii). With regard to matters relating to Remuneration the Committee shall be responsible for:**
- (a) the assessment and approval of a broad remuneration strategy for the Group, including for the executive directors of the Company. For purposes of clarification, the remuneration of the independent non-executive directors shall be a matter for decision by the full Board;

Confidential

- (b) taking into account, in determining such strategy, all factors which it deems necessary including relevant legal and regulatory requirements. The Committee's overall strategy will be to ensure that members of executive management are fairly rewarded for their contribution to the Group's operating and financial performance taking account of industry, market and country benchmarks. In order to promote an identity of interests with shareholders, share incentives are considered to be critical elements of executive incentive pay;
- (c) reviewing the ongoing appropriateness and relevance of the remuneration strategy;
- (d) determining a short and long term incentive pay structure for group executives;
- (e) positioning of executives' pay levels relative to local and international industry benchmarks; and
- (f) make recommendations to the Board concerning the introduction of any new long-term incentive scheme for senior executives, and on any other matters related to remuneration, which may be required from time to time to be approved by shareholders.
- (g) exercise the powers of the Board or, where the Committee considers it appropriate, make recommendations to the Board, in relation to the following aspects of the group's existing or future executive share option and other material long-term incentive scheme:
 - i. Approval of proposed grant policy for schemes;
 - ii. Establishment of performance criteria as a precondition to the granting, vesting or exercising of rights under schemes;
 - iii. Approval of any changes to the rules or performance criteria of schemes; and
 - iv. Exercise or recommending the exercise of discretions where required by the rules of schemes.
- (h) oversee any major changes in employee benefit structures throughout the group.
- (i) determine the policy for authorizing claims for expenses from the Chair of the Board.
- (j) be exclusively responsible for establishing the selection criteria and for selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.

Reporting Procedures

11. The Committee Chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
12. The Secretary shall minute the proceedings and resolutions of the Committee meetings, including the names of those present and in attendance.
13. The Secretary shall circulate draft minutes of meetings of the Committee to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board except where the Committee determines it to be inappropriate to do so for reasons of confidentiality.
14. The Committee's activities and the process used to make appointments shall be disclosed in the annual report, together with the Board's policy on diversity.
15. The Chair of the Committee shall attend the Company's AGM prepared to respond to any questions, which may be raised by shareholders on matters within the Committee's area of responsibility.

Other

16. The Committee shall:
 - (a) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
 - (b) give due consideration to all applicable laws and regulations, as appropriate; and
 - (c) periodically review its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

Schedule of Committees Terms of Reference (TOR) reviews:

Date	Action Taken
13/10/2015	TOR approved by the Committee
12/4/2017	Revised TOR recommended to the board for adoption
18/5/2017	Revised TOR adopted by the board
16/4/2018	Revised TOR recommended to the board for adoption
24/4/2018	Revised TOR adopted by the board.