



Committee Terms of Reference

Audit Committee

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AUDIT COMMITTEE TERMS OF REFERENCE

ESTABLISHMENT OF COMMITTEE

The Board of Directors of KCB Group Plc (the “Board”) has established a Committee of the Board known as the Audit Committee (the “Committee”).

PURPOSE

The purpose of the Committee is to assist the Board to oversee:

- The integrity of financial statements and reporting.
- The effectiveness of internal controls and the internal audit function.
- The independence and performance of the external auditor; and
- assurance over non-financial disclosures included in the annual report, including sustainability and climate-related disclosures.

The Committee’s remit applies on a Group (consolidated) basis consistent with the non-operating holding company’s consolidated oversight and supervision responsibilities in line with the Prudential Guidelines.

MEMBERSHIP

- The Committee shall consist of a minimum of three (3) independent Non-Executive Directors of the Board. Alternate Directors cannot be appointed as a member of the committee.
- In line with the CBK Prudential Guideline on Corporate Governance (CBK/PG/02) 3.5.2 (ii) (b), one member who is an independent Non-Executive Director shall serve as the Committee Chairman (the “Chair”). The Members of the Committee and the Chair shall be appointed and removed by the Chairman of the Board.
- At least one member should have accounting expertise or experience in the field of finance and be a member of a recognized local accounting body or an equivalent international institute.
- In the absence of the Chair, one of the other members of the Committee present shall be chosen by the Committee to preside as Chair at that meeting.
- Each member shall continue to be a member of the Committee until a successor is appointed, unless the member resigns, is removed or ceases to be a director.
- If a member is unable to act for any reason, the Chair of the Board may co-opt another independent Non-Executive Director as an additional member if deemed necessary.
- The Chair of the Board will, on an annual basis, review the performance of the Committee.

MEETINGS & PROCEDURE

a) Frequency of Meetings

The Committee shall meet at least four (4) times in a year with other meetings held as required.

b) Quorum

The quorum shall be two (2) members both of whom must be independent Non-Executive Directors. No member is permitted to appoint a proxy.

Attendance of meetings may include physical appearance, telephone or video conferencing provided that all participants in the meeting can be heard simultaneously.

c) Decisions

The Committee’s decisions shall, to the extent possible, be by consensus. Where no consensus is reached, decisions shall be taken by majority of votes of those present. In case of a tie, the Chair shall have a casting vote.

The Chair shall at his sole discretion and as he deems appropriate use the casting vote or refer the matter to the full board for a decision.

A Committee member is required to abstain from deliberations and voting in respect of any matter which may give rise to any actual or perceived conflict of interest situation.

d) Circular Resolution

The Committee may from time to time and if deemed appropriate, consider and approve and/or recommend relevant matters via a Circular Resolution in writing including through the Company's electronic board platform, in lieu of formally convening a meeting.

The Circular Resolution shall be as valid and effectual as if it has been passed by a meeting of the Committee duly convened. Approval of the Committee obtained through a Committee Circular Resolution must be signed by or approved by all Committee members subject to paragraph (c) above.

e) Attendance at Meetings

The Group Internal Auditor or his delegate shall attend all Committee meetings. Where relevant, appropriate external advisers, may attend meetings of the Committee by invitation.

The external auditors of the Company shall have free access to the Committee. The auditors shall be allowed to attend and be heard at any meeting of the Committee. Upon the request of the auditors, the Chair shall convene a meeting to consider any matter that the auditors believe should be brought to the attention of directors or shareholders.

The Committee shall schedule, and hold, if necessary, a private session with the Group Chief Executive Officer (GCEO), the Group Director, Finance (GDF), the Group Internal Auditor, external assurance providers, and any other officials that the Committee may deem appropriate at each of its meetings.

f) Committee Secretary

The Company Secretary shall be the Secretary to the Committee and shall be responsible for providing guidance on all governance issues and for taking minutes of the proceedings of all meetings of the Committee.

g) Reporting to the Board

The Chair or his designate shall report to the Board on matters arising at Committee meetings and, where applicable, present the Committee's recommendations to the Board for its approval.

AUTHORITY OF THE COMMITTEE

The Committee is authorised by the Board:

- To investigate any activity within its Terms of Reference.
- To seek any information, it requires from any employee, Chairperson of other Board Committee, Executive Director, and Officer or Company Secretary within its Terms of Reference and/or subject to following a Board approved process.
- To access the company's records, facilities and any other resources necessary to discharge its duties and responsibilities subject to the Board approved process.
- To obtain external legal or other independent professional advice, including an external remuneration consultant that it determines necessary to permit it to carry out its duties at the Company's expense, subject to the Board approved process being followed. To instruct external professional advisers to attend any meeting if it considers this necessary or appropriate.
- Appoint, compensate, and oversee all audit and non-audit services performed by external auditors, including the work of any registered public accounting firm employed by the institution.
- Resolve any disagreements between management and the external auditor regarding financial reporting and other matters.

DUTIES AND RESPONSIBILITIES

The Committee shall have the following responsibilities as well as any other matters that may be delegated to the Committee by the Board from time to time.

a) Internal Control and Internal Audit

To obtain reasonable assurance with respect to work of the internal audit activity, the Committee shall have the following roles and responsibilities:

1. Internal Audit Function, Charter and Resources

- Ensure establishment of a permanent internal audit function across the group. In fulfilling its duties and responsibilities, the board and senior management should take all the necessary measures to ensure that the institution has a permanent internal audit function commensurate with its size, nature and complexity of its operations.
- Ensure that senior management establishes and maintains an adequate, effective and efficient internal control framework and internal audit function.
- Review and approve the internal audit charter at least annually. The charter should be reviewed to ensure that it accurately reflects the internal audit activity's purpose, authority, and responsibility, consistent with the mandatory guidance of the IIA's International Professional Practices Framework.
- Ensure that the institution's internal audit function is independent and has the necessary resources, budget, standing and authority to enable it to discharge its functions effectively.
- Ensure that the system of internal control and the internal audit function are adequate and operating effectively.

2. Group Internal Auditor Performance

- Advise the board regarding the qualifications and recruitment, appointment, and removal of the Group Internal Auditor. The Group Internal Auditor shall not be the compliance officer and shall not be involved in any function that is being audited.
- Assess performance of the Group Internal Auditor.

3. Internal Audit Strategy and Plan

- Review and provide input on the internal audit activity's strategic plan, objectives, performance measures, and outcomes.
- Review the institution's audit plan, with specific reference to the procedures for identifying regulatory risks and controlling their impact on the institution, including reviewing correspondence from regulatory authorities and management's responses.
- Approve the internal audit plan and budget, as well as oversee staffing and objectives of the internal audit function.
- Approve the internal audit performance measures including key performance indicators (KPIs).
- Review the internal audit activity's performance relative to its audit plan and performance measures.
- Have explicit authority to investigate any matter within its terms of reference, full access to and co-operation by management.

B) External Auditors

To obtain reasonable assurance with respect to work of the external assurance providers, the Committee shall have the following roles and responsibilities:

- Review coordination between the internal audit function and external auditors.
- Recommend the appointment/re-appointment, removal and remuneration of the external auditor.

- Review and monitor the external auditors' independence and objectivity, taking into consideration relevant professional and regulatory requirements. Obtain statements from the external auditors about their relationships with the institution, including non-audit services performed in the past, and discuss the information with the external auditors to review and confirm their independence.
- Review with the external auditors, the scope of their audit plan and approach, system of internal audit reports, assistance given by management and its staff to the auditors and any findings and actions to be taken.
- Review management reports and reports from external auditors concerning deviations and weaknesses in accounting and operational controls.
- Have regularly scheduled exclusive meetings with external auditors to discuss any sensitive matters.
- Monitor management's progress on action plans to address issues reported by the external auditors.

c) Financial Statements, ESG, Climate and Public Accountability Reporting

The Committee shall be responsible for:

- The oversight of the independent audit of the institution's financial statements, including but not limited to overseeing the resolution of audit findings in areas such as internal control, legal, regulatory compliance, and ethics.
- The oversight over the accuracy and assurance of sustainability and climate-related disclosures (financial and non-financial).

d) Evaluate and review the Committees performance and its compliance to its terms of reference and report to the Board.

e) Assess the appropriateness of its Terms of Reference, taking into account any applicable legislative and regulatory requirements, as well as best practices and report to the Board .

DELEGATION OF DUTIES AND RESPONSIBILITIES

The Committee may delegate any of its duties or responsibilities, as it deems appropriate, to any of its members or sub-committee of its members, to such other persons, subject to the Committee's direction and supervision, and with the express condition that the Committee retains full and exclusive authority over and responsibility for any activities of such other person or persons. Nothing contained in this paragraph shall be construed to confer upon any such person or persons any discretion, authority or control respecting any matter, unless expressly authorised in writing.

REVIEW AND APPROVAL

These Terms of Reference shall be reviewed every three years and where necessary appropriate changes and updates made.

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SCHEDULE OF REVISION

Date of Approval/Revision	Content	Reason
2026	New Terms of reference	New TORs approved for implementation.



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