



Emerging
Stronger
A better Future

Overview

Corporate Governance underpins the process and structure used to direct and manage the business and affairs of the Company towards enhancing business prosperity and corporate accountability with the ultimate objective of realizing long term shareholder value, whilst taking into account the interests of other stakeholders. East African Breweries Limited (EABL) is committed to the highest standards of Corporate Governance and Business Ethics. The Company has instituted systems to ensure that high standards of corporate governance are maintained at all levels of the organization and is in compliance with the Capital Markets Authority Code of Corporate Governance Practices for Issuers of Securities to the Public (the CMA Code) as well as the equivalent guidelines for listed companies in Tanzania and Uganda.

Besides complying with the CMA Code, the Company has committed to embedding internal rules of engagement to support corporate governance. These internal guidelines are constituted in the Code of Business Conduct (CoBC) to which every Director and employee makes a commitment to comply. The CoBC is aligned to globally accepted standards and meets the requirements of local laws as well as internationally applicable laws and regulations. It guides activities in dealing with employees, customers, suppliers, competitors, government and the community at large. The CoBC also articulates the Company's policy on insider trading. Directors, management, staff members and related parties are instructed during closed periods, not to trade in their shares while in possession of any insider information not available to the public.

Governance Principles

Among the principles that the Board subscribes to in upholding the Group's Corporate Governance practices include but are not limited to:-

- 1. Discipline:** the commitment by the Group's Senior Management to adhere to behavior that is universally recognized and accepted to be correct and prudent.
- 2. Transparency and Disclosure:** the ease with which an outsider is able to access information relating to the Group and to make meaningful analysis of the Group's actions, its economic details and the non-financial aspects pertinent to the business.
- 3. Independence:** the extent to which mechanisms have been put in place to minimize or avoid potential conflicts of interest that may exist, such as dominance by a strong chief executive or large shareholder.
- 4. Accountability:** Individuals or groups in the Group, who make decisions and take actions on specific issues, need to be accountable for their decisions and actions.
- 5. Adherence to laws and regulations:** with regard to management, this pertains to compliance with applicable laws and regulations and implementing standards of relevant best practice. Behaviour must allow for corrective action and for penalizing non-adherence or mismanagement. Responsible management would, when necessary, put in place what it would take to set the Group on the right path. While the Board is accountable to the Group's shareholders, it must act responsibly to and with responsibility towards all stakeholders of the Group.
- 6. Fairness:** the systems that exist within the Company must be impartial in taking into account all those that have an interest in the Company and its future. The rights of various groups have to be acknowledged and respected, and the Company must continually focus on stakeholder value free of favouritism.
- 7. Social responsibility:** a well-managed Company will be aware of, and respond to, social issues while placing a high priority on ethical standards.

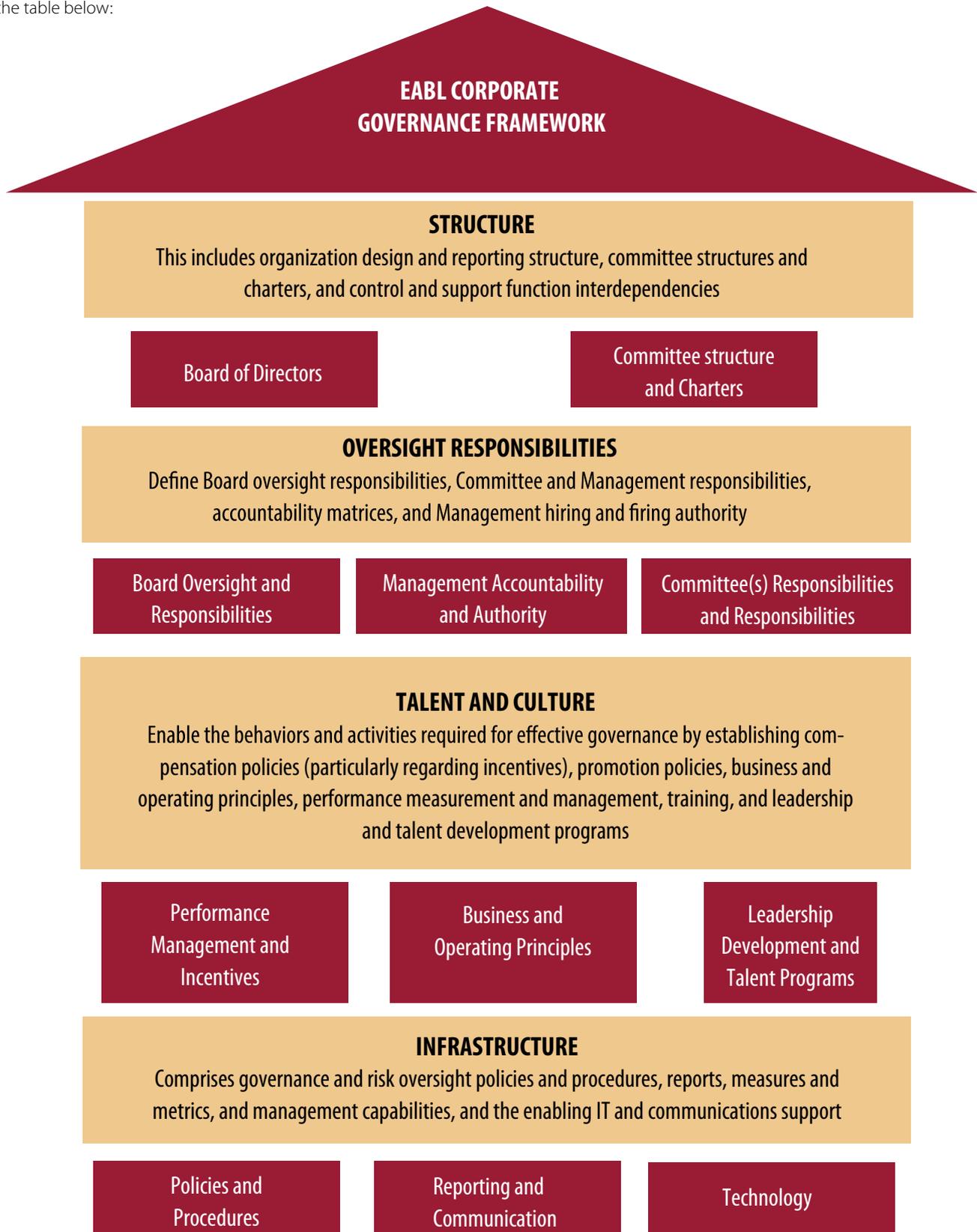
OUR CORPORATE GOVERNANCE FRAMEWORK

EABL is committed to implementing and adhering to good corporate governance and best practice. We have put in place a corporate governance structure which assists to attain the following objectives:

- Organize operational, financial, risk management, and reporting processes such that the Board receives the information it requires to effect good governance and management and the business units can conduct their activities in ways that comply with regulations and serve strategic ends.
- Bring the organization's governance framework down to the level of roles, responsibilities, reporting lines, and communications to bridge the gap between the governance framework and operational realities.
- Sustain governance by creating a feedback loop in which the Board and management can identify and respond to new business, operational, competitive, and regulatory needs.

“ East African Breweries Limited (EABL) is committed to the highest standards of Corporate Governance and Business Ethics.

Our governance framework is highlighted in the table below:



THE BOARD OF DIRECTORS

The Board is committed to ensuring that a strong governance framework operates throughout the Group, recognising that good corporate governance is a vital component to support management in their delivery of the Company's strategic objectives, and to operate a sustainable business for the benefit of all stakeholders. The Board recognises that the process of identifying, developing and maintaining high standards of corporate governance suitable for the Company is ongoing and dynamic to reflect changes in the Company and its business, the composition of the Board and developments in corporate governance.

The role and functioning of the Board

The Board is comprised of six Independent Non-Executive Directors, three Non-Executive Director and two Executive Directors. The Directors have a balance and depth of skills and experience, together with long-standing knowledge of the Group, which enables them to discharge their respective duties and responsibilities effectively

The Board is collectively accountable to the Company's shareholders for the long-term success of the Company and for its overall strategic direction, its values and governance. It provides the leadership necessary for the organization to meet its business objectives within the framework of its internal controls, while also discharging the Company's obligations to its shareholders. Responsibility for implementing strategy and day-to-day operations has been delegated by the Board to the Group Managing Director and the Company's executive team.

There is a formal schedule of matters reserved for consideration by the Board, which include responsibility for the following:

- approval of overall Group strategy and objectives
- approval of the Group annual budget and monitoring progress towards its achievement
- changes to the Group's capital structure
- changes to the Group's principal activities
- review and approval of the annual financial statements
- changes to the senior management structure
- approval of Group financing arrangements and treasury policy
- approval of major investments, disposals and additional investments in existing operations
- Approval of major unbudgeted expenditure

These reserved matters are reviewed by the Board, at least annually, to ensure they remain appropriate and complete. In tandem, the Board also reviews an approved schedule of operational matters, which are delegated to management of the operating subsidiaries.

Division of Responsibilities

The Chairman and the Group Managing Director's roles are separate, with each having distinct and clearly defined duties and responsibilities. The Chairman is responsible for leadership of the Board, for ensuring its effectiveness on all aspects of its role and for facilitating productive contribution of all Directors. The separation of the functions of the Chairman (an Independent Non-Executive director) and the Group Managing Director (Executive director) supports and ensures the independence of the Board and Management. The balance of power, increased accountability, clear definition of responsibilities and improved decision-making are attained through a clear distinction between the non-executive and executive roles.

The Chairman serves as the link between the Board and management in between meetings and is responsible for ensuring that decisions of the Board are implemented. He is also responsible for ensuring that the interests of the Company's shareholders are safeguarded and that there is effective communication with them.

The Group Managing Director has overall responsibility for the performance of the business and provides leadership to facilitate successful planning and execution of the objectives and strategies agreed by the Board.

Non-Executive Directors

The Board had nine Non-Executive Directors, collectively made up of six Independent Non- Executive Directors and three Non-Executive Directors as at the end of the financial year.

The Non-Executive Directors help develop strategy and are responsible for ensuring that the business strategies proposed are fully discussed and critically reviewed. This enables the directors to promote the success of the Company for the benefit of its shareholders, with consideration of, among other matters, the interests of employees, the fostering of business relationships with customers, suppliers and other stakeholders. The Non-Executive Directors oversee the operational performance of the business, scrutinise performance of Management and the Company, bring an external perspective to the Board, monitor reporting of performance and should be available to meet with major stakeholders as appropriate. To perform these tasks, they have full access to all relevant information, with updates provided on governance, regulatory and other matters affecting the company.

The Non-Executive Directors come from broad industry and professional backgrounds, with varied experience and expertise aligned to the needs of the business. The Chairman and five of the Non-Executive Directors, as at the date of this Report, are independent as defined by the CMA Code and accordingly over half of the Board is constituted of Independent Non-Executive Directors.

On joining the Board, all Directors receive a full induction. Non-Executive Directors also receive a full programme of briefings on all areas of the Company's business from Executive Directors, the Company Secretary and other senior executives.

Board Membership and Committees

The constitution of the Company's Board is stipulated by the Company's Articles of Association. It currently comprises of eleven Directors, of whom nine are Non-Executive Directors and two are Executive Directors.

The Board carries out its obligations through Board Committees. During the year, there were three standing committees and one ad hoc committee of the Board. The standing committees were the Board Corporate Governance Committee, the Board Audit and Risk Management Committee and the Board Nominations & Remuneration Committee. The Board Investment Committee is an ad hoc Committee. The Committees are all chaired by Independent Non-Executive Directors who also form the majority of the Committee's membership.

The Board is currently comprised of six Independent Non-Executive Directors, three Non-Executive Directors and two Executive Directors. The profile of the Board is as set out on pages 84 to 87.

Board of Directors			
Dr. M. Oduor-Otieno* – Group Chairman Mr. J. O'Keeffe ** - Group Vice Chairman Mr. A. Cowan*** (Former Group Managing Director) – Resigned as GMD and CEO on 31 December 2020 and as a Director on 1 March 2021 Mrs. J. Karuku*** (Group Managing Director and CEO) – Appointed GMD and CEO on 1 January 2021 Mr. J. Katto* Ms. C. Musyoka* Mr. J. Mugerwa* Mr. J. Ulanga * Mr. L. Breen** Ms. Risper Ohaga*** Ms. Ory Okolloh* – Appointed on 16 October 2020 Mr. Dayalan Nayager ** - Appointed on 1 March 2021			
Company Secretary Ms. Kathryn Maundu			
*Independent Non-Executive Director ** Non-Executive Director *** Executive Directors			
Board Corporate Governance Committee	The Board Audit and Risk Management Committee	Board Nominations & Remuneration Committee	Board Investment Committee – Ad Hoc Committee
Mr. J. Katto – Chairman Ms. C. Musyoka Mr. J. Ulanga Ms. K. Maundu (Secretary)	Mr. J. Ulanga – Chairman Mr. J. Katto Mr. J. Mugerwa Mr. L. Breen Ms. O. Okolloh Ms. K. Maundu (Secretary)	Ms. C. Musyoka - Chairperson Dr. M. Oduor-Otieno Mr. J. Mugerwa Mr. J. O'Keeffe Ms. K. Maundu (Secretary)	Ms. C. Musyoka - Chairperson Mr. J. Katto Ms. R. Ohaga Ms. O. Okolloh Ms. K. Maundu (Secretary)

The Board provided overall oversight of the Group. Amongst the key activities during the financial year were:

- Review of the strategy and the F21 Key performance indicators and Annual Operating Plan.
- Oversight of the Group and Subsidiaries performance as well as Committee performance.
- Review of significant tax matters and projects.
- Detailed discussion on the Group Capital structure.
- Issuing a corporate bond.
- Approval of the half year and full year financial results for FY 2021.
- Continued impact of COVID-19 to the business and response strategy.

Attendance at Board and Annual General Meetings during the Financial Year

	29.07.2020	16.09.2020	16.09.2020 (AGM)	10.11.2020	28.01.2021	04.03.2021 (Sp. Board)	17.05.2021	25.05.2021 (Sp. Board)
Martin Oduor-Otieno	√	√	√	√	√	√	√	√
Carol Musyoka	√	√	√	√	√	√	√	√
Jane Karuku	√	√	√	√	√	√	√	√
Andrew Cowan ¹	√	√	√	√	√	-	-	-
John O'Keeffe	√	√	√	√	√	√	√	√
Leo Breen	√	√	√	√	√	√	√	√
John Ulanga	√	√	√	√	√	√	√	√
Japheth Katto	√	√	√	√	√	√	√	√
Jimmy Mugerwa	√	√	√	√	√	√	√	√
Risper Ohaga	√	√	√	√	√	√	√	√
Ory Okolloh ²	-	-	-	-	√	√	√	√
Dayalan Nayager ³	-	-	-	-	-	√	√	√

1. Andrew Cowan resigned as a director with effect from 1 March 2021
2. Ory Okolloh was appointed as a director with effect from 16 October 2020.
3. Dayalan Nayager was appointed as a director with effect from 1 March 2021.

Board Corporate Governance Committee

The Board Corporate Governance Committee has oversight over the adherence and compliance by the Company to the principles and requirements of good corporate governance and business ethics. The Committee is also responsible for ensuring an annual Board evaluation is conducted for evaluating the performance of the Board, Board Committees, Individual Directors, Group Managing Director and the Company Secretary. All members of the Committee are Independent Non-Executive Directors.

The Committee monitored implementation of the requirements of the CMA Code and in that regard continued to monitor the independence of directors; to monitor the directors' interest in other entities and mitigation measures thereof; review of the Board Charter and the terms of reference of the various committees. The Committee also reviewed the compliance report to CMA, detailing the measures taken to ensure compliance with the CMA Code and continued to track the progress made in implementing recommendations from the Board Evaluation exercise and Legal and Compliance Audit conducted in FY19.

In carrying out its mandate to continuously enhance and entrench effective corporate governance within EABL, the Committee includes in its annual work plan a corporate governance training session for all Directors.

Attendance at Board Corporate Governance Committee meetings during the Financial Year

	28.07.2020	14.10.2020	25.01.2021	19.04.2021
Japheth Katto	√	√	√	√
Carol Musyoka	√	√	√	√
John Ulanga	√	√	√	√

Board Audit and Risk Management Committee

The Board Audit and Risk Management Committee (BARC) is responsible for monitoring and reviewing the integrity of the financial statements, the effectiveness of the accounting, internal control and business risk management systems of the Group, and the efficiency of the Group's procedures for handling complaints and whistle blowing allegations. The Mandate of the Committee also includes:

- Reviewing the integrity of the Group's financial statements.
- Compliance with legal and regulatory requirements.
- Monitoring and reviewing the performance of the Group's external auditors including their independence and objectivity, making recommendations as to their reappointments (or where appropriate, change) and approving their terms of engagement and the level of audit fees payable to them.
- Review of business operations policies.
- Overseeing the internal control and risk management systems in relation to the Company's financial reporting process and the Group's process for preparation of the consolidated financial statements.

During the year, the BARC met five times and reviewed the following business:

- Annual report and associated preliminary year end results announcement, focusing on key areas of accounting judgement and complexity, accounting and provisioning policies.
- The external audit strategy and the findings of the external auditor from its review of the interim results and hard close as at 30 April 2021 and the audit of the year-end consolidated financial statements.
- Interim results announcement, which included the condensed financial statements and Company's management results.
- Business integrity which covered risk management, controls and assurance, breach management and health, safety and environment.

Upon completion of the consolidated financial statements, the BARC reviewed the following:

- The consolidated financial statements for the year ended 30 June 2021, together with the accounting policies, disclosures and other explanatory information and based on the information provided to it, the Committee satisfied itself that in all material respects, the financial statements complied with the Companies Act, 2015 and the International Financial Reporting Standards (IFRS).
- Considered the appropriateness of management judgment and the accounting treatment of significant transactions.

In addition, the Committee reviewed various detailed reports from:

- The Control, Compliance and Ethics team (CCE) and the Global Audit and Risk (GAR) team.
- The annual GAR audit plan and the assessment of top risks identified by GAR as driving the plan and scope of audits for the year ended 30 June 2021.
- Legal and Regulatory updates from the Legal Director.

The BARC reviews annually the appointment of the auditors taking into account the auditors' effectiveness and independence and all appropriate guidelines and makes a recommendation to the Board accordingly. The Group has a policy on auditor independence and on the use of the external auditors for non-audit services which is reviewed annually. Any decision to open the external audit to tender is taken on the recommendation of the BARC. There are no contractual obligations that restrict the Company's current choice of external auditor.

PricewaterhouseCoopers (PwC) were the Group's auditors during the financial year. They have since issued a written confirmation to the Board of their intention to seek re-appointment as the Company's auditors at the Annual General Meeting, subject to approval by the Shareholders.

During the year, the committee comprised of four Independent Non-Executive Directors and one Non-Executive Director.

Attendance at Board Audit and Risk Management Committee meetings during the Financial Year

	27.07.2020	14.10.2020	25.01.2021	20.04.2021	23.06.2021
John Ulanga	√	√	√	√	√
Japheth Katto	√	√	√	√	√
Jimmy Mugerwa	√	√	√	√	√
Leo Breen	√	√	√	√	√
Ory Okolloh ¹	-	-	√	√	√

1. Ory Okolloh was appointed as a member of the Committee with effect from 30 November 2020.

Board Nominations and Remuneration Committee

The Board Nominations and Remuneration Committee (BNRC) is responsible for key business processes as listed below:

- Identifying and nominating for the approval of the Board, and EABL Subsidiary Boards candidates to fill Board vacancies as and when they arise.
- Approving key policies and principles driving remuneration decisions for management and non-management employees.
- Identifying and recommending for approval of the Board, remuneration proposals for executive and independent Directors of the Board.

The mandate of the Committee is executed through the processes indicated below:

- Succession planning and external talent pipelining for potential vacancies within the Board. This is done through nomination, selection and vetting from a pool of suitable candidates to fill vacancies that may arise from the Board and Board Committees.
- Assessing and recommending to the Board, the remuneration of management and non-executive Directors including approval of staff incentive schemes, pension plans, and other remuneration related terms and conditions of employment.

The Committee had three meetings during the year and dealt with the following business:

- Assessment of the effectiveness and adequacy of the Board succession pipeline and succession plans, with particular consideration for actual and potential vacancies in the longer term horizon.
- Board changes which occurred during the year.
- Review of the Remuneration policy.
- Review of senior management talent and succession review.
- Review and adoption of changes to reward pay principles, management pay structures, pension plans and other cash and non-cash benefits pursuant to the talent strategy.
- Review and approval of benefits associated with long term incentive plans related to the Employee Share Ownership Plan (ESOP) including the relevant Governance Framework and structures.

In the year ended June 2021, following the COVID-19 pandemic, the Committee continued to review policies and procedures on Employee Health and wellbeing in a COVID-19 environment.

Attendance at Board Nominations & Remuneration Committee meetings during the Financial Year

	23.07.2020	26.01.2021	19.04.2021
Carol Musyoka	√	√	√
John O'Keeffe	√	√	√
Martin Oduor-Otieno	√	√	√
Jimmy Mugerwa	√	√	√

Board Investment Committee

The Board Investment Committee is responsible for reviewing and interrogating any investments or divestments that would have a significant impact on the company's balance sheet.

The mandate of the Committee includes:

- Ensuring new investments made by the company and its subsidiaries comply with the company strategy and with all applicable laws and regulations.
- Ensuring the necessary due diligence is conducted before any investments or divestments are made by the company or its subsidiaries.
- Ensuring investments made by the company take into consideration all the stakeholders of the Company.
- During the year, the Committee had eight meetings during which, members reviewed new capital expenditure (capex) projects, and the restructuring of funding proposals. The Committee also discussed the capital structure of the Company and the early redemption of the medium term note.

Attendance at Board Investment Committee meetings during the Financial Year

	17.07.2020	17.12.2020	25.01.2021	25.02.2021	22.03.2021	06.05.2021	13.05.2021	20.05.2021
Carol Musyoka	√	√	√	√	√	√	√	√
Japheth Katto	√	√	√	√	√	√	√	√
Risper Ohaga	√	√	√	√	√	√	√	√
Ory Okolloh ¹	-	√	√	√	√	√	√	√

1. Ory Okolloh was appointed as a member of the Committee with effect from 30 November 2020.

Company Secretary

The Company secretary is a member in good standing with the Institute of Certified Secretaries (ICS). The Company Secretary provides a central source of guidance and advice to the Board on matters of ethics, statutory compliance, compliance with the regulators and good governance.

Role of the Company Secretary

- Providing a central source of guidance and advice to the Board and the Company, on matters of statutory and regulatory compliance and good governance.
- Providing the Board and the Directors individually with guidance on how their responsibilities should be discharged in the best interests of the Company.
- Facilitating the induction training of new Directors and assisting with the Directors' professional development as required. This includes identifying and facilitating continuous Board education.
- In consultation with the CEO and the Chairman, ensuring effective flow of information within the Board and its committees and between senior management and Non- Executive Directors. This includes timely compilation and distribution of Board papers and minutes, as well as communication of resolutions from Board meetings.
- Guiding the company in taking the initiative to not only disclose corporate governance matters as required by law, but also information of material importance to decision making by shareholders, customers and other stakeholders.
- Keeping formal records of Board discussions and following-up on the timely execution of agreed actions.

Promotion of Corporate Culture

Internal Regulations

Besides complying with the Code and the laws, the Group has committed to embed internal rules of engagement to support corporate governance. These internal guidelines are constituted in various policies and in the Code of Business Conduct to which every employee, supplier and the Board makes a commitment to comply with.

Board Charter

The Board charter outlines the specific roles and responsibilities of the Board which are separate from those of management. The Charter covers areas relating to Board structure, functions, processes, effectiveness and internal controls. The Charter has also embedded policies on Related Party Transactions. The Charter is not a substitute or a replacement of any laws and regulations that govern the running of the Company.

The Board Charter is periodically reviewed to ensure that it remains current.

The Charter and Committee Charters have been published on the Company’s website.

Code of Conduct and Ethics

The Company pursues ethical decision making and leadership to promote corporate social responsibility, fair business practices, sustainability and the triple bottom line that focuses on the society, the environment and profitability.

The Board has implemented a Code of Ethics and Conduct which binds Directors and Employees and is subscribed to by all members of the Company. Initiatives to ensure its application include training, monitoring, mechanisms for whistle blowing, taking disciplinary action, etc. The Code has been integrated into the Company’s operations through the development of various policies and reporting mechanisms.

Board policies

The Board has established policy and procedure documents to guide the Directors and management in the implementation of their roles and responsibilities. A brief summary of the governance documents and their key provisions are listed below:

Conflict of interest policy	<ul style="list-style-type: none"> • Directors are obligated to fully disclose to the Board any real or potential conflict of interest which come to their attention, whether direct or indirect. • All business transactions with all parties, directors or their related parties are carried out at arm’s length.
Whistle Blowing policy	<ul style="list-style-type: none"> • The policy outlines mechanisms that facilitate anonymous reporting and anti ethical behaviour by all stakeholders. • The ethics hotline is managed by an independent, accredited and external institution.
Conflict of interest policy	<ul style="list-style-type: none"> • Directors are obligated to fully disclose to the Board any real or potential conflict of interest which come to their attention, whether direct or indirect. • All business transactions with all parties, directors or their related parties are carried out at arm’s length.
Insider Trading policy	The policy is used to institute structures to prevent insider dealings by Directors and Management. Through this, the Company endeavors to preserve the confidentiality of unpublished sensitive information and prevent misuse of such information.
Anti Bribery Policy and Anti fraud and Corruption	<ul style="list-style-type: none"> • This policy prevents employees and agents from giving or receiving bribes (directly or indirectly) and attempts to induce favours by way of bribes. • We review compliance with regulatory obligations, particularly those surrounding fraud, corruption and Anti Money Laundering.
Board Remuneration Policy	This policy sets out the guidelines and criteria for the Board’s compensation.
Operational policies	There are broad operational policies that guide Management in execution of the Group’s operations in an efficient manner.

Independence of Directors

The Board recognises the importance of independent judgement and constructive engagement on all matters brought before the Board for deliberation. Directors views should have regard to the best interest of the organization and its stakeholders.

In accordance with the CMA Code, the Board undertakes an annual assessment of Director's independence based on the independence criteria outlined in the CMA Code.

Management of Conflicts of Interest

The Directors are obligated to fully disclose to the board any real or potential conflict of interest, which comes to any director's attention, whether direct or indirect. The statutory duty to avoid situations in which the directors have or may have interests that conflict with those of the Company has been observed by the Board in the financial year under review. All business transactions with all parties, directors or their related parties are carried out at arm's length. An acknowledgement that should it come to the attention of a director that a matter concerning the Company may result in a conflict of interest, obligates the director to declare the same and exclude himself / herself from any discussion or decision over the matter in question.

The Board has formal procedures for managing conflicts of interest in accordance with the Companies Act 2015 and the CMA Code of Corporate Governance Practices for Issuers of Securities to the Public. Directors are required to give advance notice of any conflict issues to the Chairman or Company Secretary and these are considered at the next Board meeting.

Declaration of conflicts of interest is also a standard agenda item which is addressed at the onset of each Board and Committee meeting. Directors are excluded from the quorum and vote in respect of any matters in which they have an interest. No material conflicts were reported by Directors in the year under review.

The Board also requires all Directors to disclose on appointment, annually and at the beginning of each Board and Board Committee meeting, any circumstance which may give rise to an actual or potential conflict of interest with their roles as Directors.

Board Performance

Directors Training and Development

The Board is committed to on-going training and development of its Directors and towards that goal, appropriate training interventions were identified during the year for attendance by Directors. To enable the Non-Executive Director's gain exposure to the Group's business on the ground, one of the four scheduled Board meetings is held in the end markets, where Directors get an opportunity to undertake various trade visits, engage the sales team and outlet owners on market related issues. Despite the travel restrictions due to the COVID-19 pandemic, in May 2021 the Board had an opportunity to virtually undertake a deep dive on the Tanzania subsidiary, and engaged with the management team in Serengeti Breweries Limited to gain deeper insights on the market. The Board and its Committees also receive regular briefings on legal and regulatory developments that affect the business.

The Chairman and the Non-Executive Directors have a particular responsibility for ensuring that the organization's strategy, the key enablers and business operations are fully discussed and critically reviewed. This enables the Board to promote the success of the Company for the benefit of all its stakeholders as a whole. In so doing, the Board has regard to matters such as the interests of the Company's employees, the fostering of business relationships with customers, suppliers and other stakeholders and the impact that the Company has on the environment and communities in which it operates.

Non-Executive Directors do not have service contracts with the Company but instead have letters of appointment which stipulate the terms of their appointment.

Board Evaluation

The effectiveness of the Board, its Committees, the Executive and Non-Executive Directors, the Chairman, and the Company Secretary is reviewed annually. The Board evaluation for the year under review, was an internally facilitated process that was managed by the Company Secretary. The evaluation was aimed at assessing how the Board had performed in its oversight role over the period under review and to identify opportunities for improvement in its structures and processes in order to improve its effectiveness. The questionnaire was designed to gather some basic information and was intended to enable each director to express their views on the topics set out in the questionnaire in the following areas:

- Board composition, membership and appointment processes
- Board administration, meetings, agendas and provision of information
- Board, committee and directors' effectiveness and performance
- Crisis Management - COVID -19 pandemic; and
- Culture, values and purpose.

The Board obtained a very good rating on all areas of assessment. The overall results revealed that the Board continued to operate effectively.

Governance Audit

In compliance with the CMA Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015, the Board appointed Ms. Catherine Musakali of Dorion Associates LLP to conduct the Company's Governance Audit for the year ended 30 June 2021. As at the date of this Annual report, the audit was ongoing.

Engagement with shareholders

The Board seeks to engage with shareholders to maintain a mutual understanding of objectives between them and the Company and manage their expectations. Relations with shareholders and potential investors are managed principally by the Executive Directors, who are contactable both directly and via the Shares Registrar. Shareholders are encouraged to participate in the Company's Annual General Meetings and contact the Company's officers with any questions. The Board, including the Chairs of the Committees, are available at the Company's AGMs to answer questions from shareholders. The Executive Directors make regular presentations to investors (both existing and potential shareholders), meet with shareholders to discuss long-term issues and obtain their views, present at externally run investor events and communicate regularly during the year. The annual and interim presentations made to investors, interviews with the Executive Directors and a description of the Company's investment case are all made available on the Company's website.

The Company also retains an external Shares Registrar who provides feedback from existing shareholders and potential investors.

Communication with Stakeholders

East African Breweries Limited is committed to ensuring that there is regular interaction and communication with its stakeholders who include shareholders, investors and the financial markets among others. The Board has mapped all its stakeholders and ensures that they are provided with full and timely information about the company's performance. This is achieved through the release of the half-year and annual results in the local press, distribution of annual reports and holding of investor briefings as appropriate. The Annual General Meeting provides a useful opportunity for shareholder engagement and in particular, for the Chairman to articulate the Company's progress, receive and answer questions from investors. The Board believes that there is an active and regular interaction with all its stakeholders. In addition to information on the Company's activities the following documents and policies are readily available to stakeholders on the Company's website:

1. The Board Charter;
2. Board Committees Terms of Reference;
3. The Board Diversity Policy;
4. Conflict and Dispute Resolution Policy;
5. Past and current copies of the Annual Reports;
6. Investor News;
7. Share Price performance – Kenya, Uganda and Tanzania.

Stakeholders and social responsibilities

The Group's business model relies heavily on developing and maintaining strong relationships with staff, clients and regulatory authorities. The Board is conscious of its responsibility towards all stakeholders and believes this is an important consideration for the long-term growth of the business. Stakeholder engagement and feedback is taken seriously throughout the Group. Regular communication is made around the Group companies and internal staff. The Group places considerable value on the involvement of its internal staff and keeps them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is achieved through formal and informal meetings, information available on the Company's website and Workplace. The Group uses social media to engage directly with stakeholders through various channels including Facebook, Twitter and LinkedIn. The Group also engages with regulators and Government agencies both directly and through membership of worldwide trade associations.

Going Concern

The Board confirms the financial statements are prepared on a going concern basis and is satisfied that the Group has adequate resources to continue in business for the foreseeable future. In making this assessment, the directors consider a wide range of information relating to present and anticipated future conditions, including future projections of profitability, cash flows, capital and other resources.

