



**Governance Audit for FTG Holdings Limited
for the year ended 31 December 2020**

Ensuring Compliance

August 2021



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18 August 2021

The Chairman
Board Audit Committee
FTG Holdings Limited
C/O Roto Moulders Limited
Nairobi

Dear Sir

Report on the outcome of the Governance Audit for the year 2020 in respect of FTG Holdings Limited ("FTG")

We enclose herewith the Governance Audit report for the Financial Year ended 31 December 2020.

The report covers aspects following the assessment of FTG as a whole, cutting across both the structural and functional areas in accordance with Section 2.11 of the Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015. The Code requires that the audit should cover all aspects of FTG to examine the existence and effectiveness of governance instruments, policies, structures, systems and practices in the organization within the legal and regulatory framework, in so as far as good corporate governance is concerned.

In carrying out the review, the audit was conducted in the form of desk review, site visit to FTG's Head Office, and the collated responses from the Self-Assessment Tool. Management was required to respond to a set of questions that was aligned to a rating scale. The analysis was on the basis of the response per question, rating per question, the average score for each governance practice and comments provided.

The Governance Audit report was prepared for the Board on the results of this exercise. The mode of the assessment was not designed to cover all aspects of governance and compliance system and therefore the comments/recommendations emanating therefrom should not necessarily be regarded as a comprehensive list of possible improvements to the system of governance and compliance or to operational procedures, which a more extensive review might reveal.

Based on the overall performance of FTG from an aggregate perspective, it is our view that the adequacy and effectiveness of FTG's policies, systems, practices and processes are within the legal and regulatory framework and in line with the global best practices on corporate governance.

The findings and recommendations are detailed in our full report, which is attached herein.

Yours faithfully
For Scribe Services


Bernard Kiragu
Managing Partner

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GOVERNANCE AUDITOR'S REPORT

Introduction

We have performed the Governance Audit for FTG Holdings Limited (FTG) for the year ended 31 December 2020 which comprised the assessment of governance structures, systems, processes and controls established by the Board.

Board Responsibility

The Board is responsible for establishing governance structures, systems, processes and controls that support the practice of good governance in the organization. The responsibility includes planning, designing and maintaining governance structures through policy formulation, direction and oversight necessary for efficient and effective management of the organization. The Board is responsible for ensuring its proper constitution and independence; ethical leadership and strategic management; transparency and disclosure, compliance with laws and internal policies; shareholders and stakeholders value enhancement and the organisation's sustainability.

Governance Auditor's Responsibility

Our responsibility is to express an opinion on the existence, effectiveness and implementation of good corporate governance consistent with the Board's policies, structures, systems and practices and the applicable legal and regulatory requirements.

We conducted our audit in accordance with ICS Governance Audit Standards and Guidelines which conform to global standards. These standards require that we plan and perform the governance audit to obtain reasonable assurance on the adequacy and effectiveness of the organization's governance policies, systems, practices and processes. We believe that our governance audits provide a reasonable basis for our opinion.

OPINION

In our opinion, the Board has put in place appropriate governance structures in the organization which are in compliance with the legal and regulatory framework and in line with global best governance practices for the interest of stakeholders.

CS. BERNARD KIRAGU, ICS GA. No 00159
For SCRIBE SERVICES
18 August, 2021