



LONGHORN PUBLISHERS LIMITED

TERMS OF REFERENCE FOR THE NOMINATION, GOVERNANCE & HUMAN RESOURCE COMMITTEE

FEBRUARY 2015

1. Purpose

The Nomination, Governance & Human Resource Committee (the “Committee”) of the Board of Directors (the “Board”) of Longhorn Publishers Limited (the “Company”) shall discharge the Board’s responsibilities with respect to oversight of the following:

- 1.1 Assessing and selecting, nomination (or recommending to the Board for its selection or nomination) strong and capable candidates to serve on the Board;
- 1.2 Making recommendations as to the size, composition, structure, operations, performance and effectiveness of the Board;
- 1.3 Recommending the level of remuneration of directors and any reviews to the Board of Directors;
- 1.4 Overseeing the Company’s Managing Director (“MD”) succession planning process;
- 1.5 Conducting an annual review of the Company’s MD and Senior Management team;
- 1.6 Lead the Board in the annual review of its performance as well as the performance of the various Board committees in place;
- 1.7 Review and monitor the Company’s Human Resources Management strategy to determine whether the Human Resource plans and initiatives will enable the Company to achieve its strategic objectives;
- 1.8 Review and when appropriate, recommend to the Board the Company’s Human Resources policies as well as make recommendations to the Board regarding incentive-compensation plans;
- 1.9 Developing and recommending to the Board a set of corporate governance principles, including independence standards; and
- 1.10 Otherwise taking a leadership role in shaping the corporate governance of the Company.

2. Composition

- 2.1 The Committee shall be comprised of at least three independent and non-executive directors of the Board, as defined under the rules of the Nairobi Securities Exchange and any other applicable listing or legal requirements.
- 2.2 The members of the Committee shall be appointed by the Board of Directors and may be replaced by the Board of Directors according with the Board charter.
- 2.3 The Chairperson of the Committee will be appointed by the Board and will be an independent Board member. The Chairperson will chair all regular sessions of the Committee and set the agenda for the Committee meetings in liaison with the Committee members.
- 2.4 Voting by the Committee shall be on the basis of a majority vote. In the event of a deadlock, the matter shall be referred to the Board of Directors.
- 2.5 The Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate.

3. Committee Meetings

- 3.1 The Committee shall meet as frequently as circumstances dictate.

- 3.2 The quorum for meetings of the Committee shall be two members and may be revised by the Committee as the size of the Committee increases.
- 3.3 Every Committee member has a duty to attend Committee meetings regularly and to effectively participate in the conduct of the business of the Board.
- 3.4 Meetings of the Committee may be held at any time in person or by such electronic means as to permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously.
- 3.5 The Committee shall meet as needed with the MD, the Chairman of the Board and such other executive officers and others within the Company as it determines appropriate to fulfilling its responsibilities hereunder.
- 3.6 All non-executive directors who are not members of the Committee may attend meetings of the Committee by invitation but may not vote. The Committee may invite to its meetings any director, management or other personnel of the Company, or any third parties, as it deems appropriate in order to carry out its responsibilities.

4. Responsibilities and Duties

The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities. The Committee may carry out additional functions and adopt additional policies and procedures as may be required or appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern that it deems appropriate in relation to carrying out its function. The Committee shall have the sole authority to retain, oversee the work of, obtain the advice of and terminate independent counsel and other advisors, including search firms to assist it in identifying candidates to serve as directors of the Company. The Committee shall have the sole authority to approve the fees payable to such counsel or advisors and any other terms of retention. The Company shall provide appropriate funding for the payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

To fulfill its responsibilities and duties, the Committee shall undertake the following:-

4.1 Board Selection, Composition and Evaluation

- 4.1.1 The Committee shall make recommendations regarding the size and composition of the Board, addressing, without limitation:
- the absolute numbers of Board members;
 - the balance between executive, non-executive and independent directors; and
 - the committee structure.

- 4.1.2 Identify individuals believed to be qualified candidates for Board membership and recommend to the Board, candidates for all directorships to be filled by the Board or by the shareholders at any meeting. In connection with this process, the Committee shall be authorized to, without limitation,
- determine the desired qualifications and criteria for Board members, including skills, experience, qualities, desired diversity and the like;
 - recommend to the Board definitions of “independence” and “conflicts of interest” for Board members, as well as guidance on time commitments and other directorships; and
 - oversee due diligence as to candidates for nomination or re-nomination as Board members.
- 4.1.3 Conduct an annual evaluation of the overall effectiveness of the Board and the committees of the Board. This evaluation (and resulting recommendations) shall address, but is not limited to,
- the Board’s structure (including with respect to the leadership roles of the MD and Chairman and composition);
 - the Board’s independence, commitment and accountability;
 - the Board’s involvement in setting the Company’s strategy and monitoring its execution;
 - the Board’s oversight of management and monitoring of management succession planning;
 - the Board’s focus on the most critical issues and risks;
 - the clarity between the roles of the Board and management, including with respect to the roles of the MD and non-independent chairman;
 - the adequacy of access to information, employees and experts in a timely manner; and
 - the appropriateness of each of the committee Charters and the functioning of the committees with respect to those Charters.

4.2 Committee Selection and Composition

- 4.2.1 Recommend members of the Board to serve on the committees of the Board, giving consideration to the criteria for service on each committee as set forth in the Charter for such committee, as well as to any other factors the Committee deems relevant and, where appropriate, make recommendations regarding the removal of any member of any committee;
- 4.2.2 Recommend members of the Board to serve as the Chairs of committees of the Board;
- 4.2.3 Establish, monitor and recommend the purpose, structure and operations of the various committees of the Board; and
- 4.2.4 As may be appropriate, make recommendations to the Board for the creation of additional committees or the elimination of Board committees.

4.3 Review of Directors Remuneration

Review on a regular basis the remuneration of the non-executive directors and make recommendations to the Board on any revisions. The Committee checks that:-

- 4.3.1 The Company is remunerating its Directors fairly and responsibly.
- 4.3.2 The remuneration is sufficient to attract, motivate and retain directors to run the Company effectively.
- 4.3.3 The remuneration is consistent with recognized best practice standards and is competitive in line with remuneration for other directors in competing sectors.
- 4.3.4 The remuneration reflects the Board's responsibilities, Directors expertise and the complexity of the Company's activities.

4.4 Human Resource function

- 4.4.1 Review the Company's compensation policies and benefits programs and how they relate to the attainment of goals, giving emphasis to rewarding long term results and maximizing shareholder value.
- 4.4.2 Seek independent advice on compensation programs for the MD and senior management based on a review of compensation practices for MD's and various executives in the Company's own industry, as well as comparable positions in other sectors.
- 4.4.3 Review and approve the compensation levels, including incentives, for the executive and other managers, giving due consideration to the MD's recommendations. The Committee shall review the performance evaluations provided by the MD for the executive and other managers.
- 4.4.4 Oversee and carry out the annual performance evaluation of the MD, giving emphasis to management's performance relative to the measurable performance goals established by the Board for the year.
- 4.4.5 Review and when appropriate, recommend to the Board the Company's Human Resources policies and manuals.
- 4.4.6 Review, at least once annually, the Company's organizational structure and, where appropriate, recommend to the Board any changes.
- 4.4.7 Review and recommend to the Board for approval the proposed appointment of any person to Senior Management.

- 4.4.8 Establish and review training and development policy for staff and ensure implementation.
- 4.4.9 Monitor and review all staffing policies and procedures. This covers issues relating to pay, staffing adjustments, recruitment, selection and induction, equal opportunities, employee relations, conduct and capability, grievance, dismissal etc.
- 4.4.10 Review management's recommendations on health, retirement and other related employee benefit programs.
- 4.4.11 The Committee shall review reports regarding the adequacy and diversity of various employee welfare provided to employees e.g. Pension schemes etc.
- 4.4.12 Agree on the procedures for dealing with disciplinary cases, hearing staff grievances and appeals against dismissal of Company staff, in line with the Company's Regulations.
- 4.4.13 Monitor employee relations and the employee's Code of Conduct.

4.5 Corporate Governance

- 4.5.1 Consider the adequacy of the constituent documents of the Company;
- 4.5.2 Develop and recommend to the Board a set of corporate governance guidelines and keep abreast of developments with regard to corporate governance to enable the Committee to make recommendations to the Board in light of such developments as may be appropriate; and
- 4.5.3 Recommend training for the directors on corporate governance practices as availed in the market.

4.6 Continuity/Succession Planning Process

- 4.6.1 Oversee the development and implementation of an effective orientation program for new members of the Board;
- 4.6.2 Oversee the evaluation of Management;
- 4.6.3 Conduct the annual review of the MD;
- 4.6.4 Ensure that effective MD and Senior Management succession plans are in place; and
- 4.6.5 Assess and recommend to the Board a successor to the MD in the event of a vacancy of the position, unless the Board designates another committee for this purpose.

4.7 Reports

- 4.7.1 Report regularly to the Board:

- following all meetings of the Committee
 - with respect to such other matters that are relevant to the Committee's discharge of its responsibilities; and
 - with respect to such recommendations as the Committee may deem appropriate; and
- 4.7.2 Maintain minutes or other records of meetings and activities of the Committee.

5. PERFORMANCE OF THE COMMITTEE

5.1 The Nomination and Governance Committee should perform a self-assessment at least once a year and agree on actions to improve its effectiveness.

5.2 If deemed necessary, external training will be arranged for existing and any new members introduced to the Committee. This will be arranged through the Chairperson of the Committee.

6. REVIEW OF THE TERMS OF REFERENCE

6.1 These Committee's Terms of Reference shall be subject to review by the Board every two years or at any other time as is deemed necessary.

6.2 Any proposed changes to these Terms of Reference shall be submitted to the Board of Directors for approval.