



**LONGHORN PUBLISHERS LIMITED**

**STAKEHOLDER ENGAGEMENT POLICY**

**FEBRUARY 2015**

## **1. PREAMBLE**

Longhorn Publishers Limited is best able to serve the large number of stakeholders with which it interacts when it is well informed about the nature and needs of those stakeholders. It is crucial that stakeholder management is focused on the needs of stakeholders through consultation since participatory engagement/management plays such a vital role in obtaining stakeholder views and perceptions of their relationship with the organization.

Stakeholder analysis involves identifying and assessing the influence and importance of key groups that may significantly impact on the success of activity and this has been achieved and listed in the appendix. As public participation is increasingly being embraced by corporates, it has become crucial for decision-makers to understand who is affected by the decisions and who has the power to influence the outcome of the decisions.

By including a Stakeholders Management Policy in Longhorn's Corporate Governance framework, the Directors are recognizing the rights of stakeholders and will proactively encourage active co-operation between the Company and stakeholders in creating wealth and sustainability.

## **2. STAKEHOLDER MANAGEMENT PRINCIPLES**

In the context of sustained value creation for all its stakeholders, Longhorn's engagement with its stakeholders shall be anchored on the following principles:-

### **2.1 Management of the relationship with stakeholders.**

The Board shall proactively manage the relationship with stakeholders.

The Board shall have a stakeholder-inclusive approach in its practice of good corporate governance and has identified its various stakeholders as detailed under Appendix 1 below.

The Board shall on a continuous basis map out and review areas of interaction with the identified stakeholders.

### **2.2 Development of strategies and policies to manage relations with different stakeholder groups**

The Board shall develop strategies and suitable policies to manage relations with different stakeholder groups and to ensure that directors disclose any conflict of interest with any related parties.

Having identified its key stakeholders and related party interests, the Company shall develop a strategy and suitable policies on how it will manage its relations with each of its stakeholder groups.

### **2.3 Deliberate and planned constructive engagement with stakeholders**

The Board shall identify mechanisms and processes that can support constructive engagement with stakeholders so as to promote enhanced levels of corporate governance.

Engagements whether formal or informal, direct or indirect, shall be appropriately recorded and reported.

### **2.4 Taking into account the interests of all key stakeholder groups before making its decisions.**

The Board shall strive, while acting in the best interests of the Company, to achieve an appropriate balance between the interests of its various stakeholders, in order to achieve the long-term objectives of the Company. The Board, while accountable to the Company, shall take into account the legitimate expectations of its stakeholders in its decision-making.

Board decisions on balancing the interests of stakeholders shall be guided by the objective of ultimately advancing the best interest of the Company.

### **2.5 Recognizing, testing and respecting the governance practices of stakeholders.**

The Board shall recognise, test where necessary and respect the governance practices of stakeholders in an effort to improve the Company's own governance practices.

### **2.6 Ensure effective communication with stakeholders.**

The Board shall proactively supply relevant information to stakeholders, and have regard for the best interests of the Company in determining what information shall be shared. In addition, it shall establish whistle-blowing mechanisms encouraging stakeholders to bring out information helpful in enforcing good corporate governance practices.

### **2.7 Establishment of a formal process to resolve both internal and external disputes.**

The Board shall establish a formal process to resolve both internal and external disputes. The identified dispute resolution process shall:-

- be simple and will entail:- agreement → negotiation → meditation → arbitration as a final recourse.
- encourage parties to agree on a process that suits them if the dispute reaches an arbitration stage.

- Provide the Mediator/Arbitrators with the necessary discretion and power to ensure settlement of the dispute if the dispute remains unresolved after the early stages of the dispute resolution procedure have been attempted.

The dispute resolution team shall ensure that the outcomes of the dispute resolution process shall be:-

- quick - the issues shall be resolved quickly rather than allowing them to escalate through inaction
- fair - all relevant parties shall be consulted so that all pertinent matters are taken into account
- handled sensitively - disputes shall, where possible and appropriate, be resolved in a confidential context in order to minimize impact of the dispute on the Company and the stakeholders.
- transparent - the procedure shall be made known to every stakeholder

In developing this policy, the Board of Longhorn will follow the provisions of existing corporate policies on customer care, complaints and other relevant policies.

### **3. Communication of this Policy**

This policy will be communicated to all staff, published on the Company's web site and will be generally available on request.

### **4. Review of this Policy**

This policy will be reviewed every two years or sooner as the situation warrants.

## Appendix

The Stakeholders have been identified as follows:-

1. Shareholders and potential investors
2. The Government, various regulatory bodies and related entities namely;
  - Kenya Revenue Authority
  - Capital Markets Authority
  - Competition Authority
  - Nairobi Securities Exchange
  - Central Depository and Settlements Corporation Limited
  - Licensed Stockbrokers
  - Companies' Registry
  - Unclaimed Financial Assets Authority
  - County Governments
  - Kenya Copyright Protection Society
  - Kenya Intellectual Property Office
3. Employees
4. Authors
5. Book sellers
6. Competitors
7. Suppliers
8. Consumers of Longhorn products
9. Professional Advisors including Auditors
10. Trade Associations / Representative Bodies
11. Neighbourhood
12. Any individual or corporate that may be impacted by the Company's operations and products.