



# Board Human Resources Committee Terms of Reference

**Drawn by:**

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## 1. Preamble

- 1.1 The Human Resources and Remuneration Committee (the “Committee”) shall be a standing committee appointed by the Board of Directors with responsibility to:
  - i) 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.
  - ii) Review and when appropriate, recommend to the Board the Company’s Human Resources policies.
- 1.2 The Committee shall be responsible for the evaluation of management performance.
- 1.3 The Committee shall be responsible for making recommendations to the Board regarding incentive-compensation plans.

## 2. Constitution and Authority

- 2.1. The Committee is authorized by the Board to seek any information it requires from any Board Member or employee of the Company in order to perform its duties.
- 2.2. The Committee is authorized by the Board to obtain outside legal or other independent professional advice.
- 2.3. The Committee shall, at least once a year, review and evaluate its own performance and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

## 3. Membership and Attendance

- 3.1 The Committee shall be determined by the Board but must be at least three members, two of whom shall be Non-Executive Directors.
- 3.2 Members of the Committee shall be appointed by the Board.
- 3.3 Chairman of the Committee shall be appointed by the Board.
- 3.4 The Head of Human Resource and Head of Finance should be permanent invitees to the Committee. The Committee may co-opt members with specialized competencies.
- 3.5 The Committee shall be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.

## 4. Meetings

- 4.1. The Committee shall meet at least quarterly and otherwise as necessary. Dates of meetings will be set at the beginning of each financial year.
- 4.2. All directors of the Company may attend meetings of the Committee provided, however, that no director is entitled to vote at such meetings and is not counted as part of the quorum for the Committee if he or she is not a member of the Committee.

- 4.3. A sufficient interval should be allowed between meetings of the Committee and the Board to allow any work arising from the Committee meeting to be carried out and reported to the Board as appropriate.
- 4.4. The Committee shall report to the Board on its meetings and each member of the Board will have access to the minutes of the Committee's meetings, regardless of whether the director is a member of the Committee.

## 5. Quorum

The quorum for Committee meetings shall be determined by the Committee, but must be at least three members, one of whom must be a Non-Executive Director.

## 6. Duties and Responsibilities

The Board hereby delegates to the Committee the following duties to be performed by the Committee on behalf of and for the Board:-

- 6.1 The Committee shall review the Company's compensation policies and benefits programs and how they relate to the attainment of goals. The Committee shall recommend to the Board the compensation philosophy and guidelines for the entire executive and managerial group, giving emphasis to rewarding long term results and maximizing shareholder value.
- 6.2 The Committee shall seek independent advice on compensation programs for the CEO and senior management based on a review of compensation practices for CEO's and various executives in the Company's own industry, as well as comparable positions in other sectors. The Committee shall present its findings to the board for approval. This program shall include attainment of corporate goals as a key part of its structure.
- 6.3 The Committee shall review and approve the compensation levels, including incentives, for the executive and other managers, giving due consideration to the CEO's recommendations. The Committee shall review the performance evaluations provided by the CEO for the executive and other managers.
- 6.4 The Committee shall oversee and carry out the annual performance evaluation of the CEO, giving emphasis to management's performance relative to the measurable performance goals established by the Board for the year.
- 6.5 Review and when appropriate, recommend to the Board the Company's Human Resources policies and manuals.
- 6.6 The Committee shall review, and make recommendations to the Board concerning any contracts or other transactions with current or future executive officers of the Company, including consulting arrangements, employment contracts, and severance or termination arrangements.
- 6.7 The Committee shall assure management continuity through annual review and approval of a succession plan for the CEO and review of the CEO's plans on capacity building for other members of senior management.
- 6.8 Review, at least once annually, the Company's organizational structure and, where appropriate, recommend to the Board any changes.
- 6.9 Review and recommend to the Board for approval the proposed appointment of any person to Senior Management. The Committee shall 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.

- 6.10 The Committee shall ensure that the Performance Management Policy is implemented throughout the Company, and that all staff are included in the system of performance review.
- 6.11 The Committee shall establish and review training and development policy for staff and ensure implementation.
- 6.12 The Committee shall be responsible for establishing the selection criteria, appointment and settlement of the terms of reference for any remuneration for the consultants appointed to advise the Committee.
- 6.13 Review the Company's negotiating mandate, collective bargaining process and collective agreements.
- 6.14 The Committee shall review reports and presentations from various unions, such as Federation of Kenya Employers. Trade Unions etc.
- 6.15 The Committee shall review management's recommendations on health, retirement and other related employee benefit programs. The Committee shall approve new plans or substantive changes to existing programs.
- 6.16 The Committee shall review reports regarding the adequacy and diversity of various employee welfare provided to employees e.g. Pension schemes etc.
- 6.17 To 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.
- 6.18 To monitor employee relations and the employee's code of conduct.

## **7. Funding**

The Company shall provide for appropriate funding, as determined by the Committee, in its capacity as a Committee of the Board, for payment of:-

- 7.1 Compensation of any advisers employed by the Committee; and
- 7.2 Ordinary administrative expenses of the committee that are necessary or appropriate in carrying out its duties.

## **8. Reporting**

- 8.1 A meeting of the Committee shall be held before a Board meeting. A report of the Committee should be included in the Board agenda for the Board meeting next following a meeting of the Committee.
- 8.2 All directors shall have authority to request information from the Chairman or members of the Committee. All directors may request access to the agenda, papers and minutes of any meeting of the Committee.

## **9. Review**

- 9.1 The Board and the Committee will, at least once in each year, review the performance and membership of the Committee to determine their adequacy for current circumstances.

9.2 The Committee will review this charter annually and may make recommendations to the Board in relation to the Committee's responsibilities, functions or administration.

Last reviewed : Date..... Signature.....

Amendments approved by BHRC : Date..... Signature.....

**Adopted by the Board of Unga Group Plc**

Signed: \_\_\_\_\_  
Chairman

Date: \_\_\_\_\_