



SAMEER AFRICA LIMITED

NOMINATIONS AND REMUNERATION COMMITTEE CHARTER

Adopted on 27th March 2017

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1 PURPOSE

The nominations and remuneration committee's primary functions are as follows:-

- 1.1 Assist the board in addressing issues pertaining to remuneration levels and employee development and motivation.
- 1.2 Ensure that the correct incentives and reward mechanisms are in place at the highest levels of the company, whilst maintaining the principles of equity and appropriateness of compensation.
- 1.3 Act as the custodian of a systematic and transparent process for bringing new directors on to the board and for proposing appointments to board committees.
- 1.4 Assess necessary and desirable competencies of board members;
- 1.5 Review board and senior manager's succession plans.
- 1.6 Evaluate the board's performance;
- 1.7 Make recommendations to the board on:
 - 1.7.1 Executive remuneration and incentive policies;
 - 1.7.2 Remuneration packages of senior management;
 - 1.7.3 The company's recruitment, retention and termination policies for senior management;
 - 1.7.4 Incentive schemes;
 - 1.7.5 Superannuation arrangements; and
 - 1.7.6 The remuneration framework for directors.

2 AUTHORITY

The Committee has authority to:

- 2.1 Review, conduct or authorize investigations into any matter relating to staff remuneration, motivation, morale and development.
- 2.2 Scrutinize all statements, budgets and projections prepared by the officers of the company relating to human resource management and remuneration and to offer suggestions and recommendations for their improvement.
- 2.3 Invite officers of the company and external advisors from time to time as the committee determines appropriate, to render such advice or opinions as may enable it to discharge its mandate.
- 2.4 Devise and maintain a clear, rigorous and transparent process for bringing new directors on to the board and for appointing directors to board committees, subject to approval by the full board.

2.5 Indemnify or provide insurance policies for directors and officers in order to encourage people to take up positions within the board and management.

3 STRUCTURE AND MEMBERSHIP

3.1 The board shall appoint the members of the committee and its chairperson, all of whom shall be directors of the board.

3.2 The committee shall comprise least three members one of whom shall be independent and non-executive board members and the committee shall be vested with the responsibility of proposing new nominees for appointment to the board and for assessing performance and effectiveness of the directors of the company.

3.3 The board may also appoint an individual, who need not be a director, to serve as secretary to the committee.

3.4 Each member of the committee shall, by reason of education or experience and in light of all factors which the board is aware, possess such degree of expertise as required to oversee the human capital development of the company and to faithfully execute the charter of the committee.

3.5 Committee members shall exercise objectivity and be free of conflicts of interest in the performance of their duties.

3.6 The duties and responsibilities of a member of the committee shall be in addition to those duties set out for a director of the board.

3.7 Membership of the board shall be disclosed in the annual report including whether a director is independent or non-independent.

4 CHAIRPERSON

The chairman of the committee shall be independent, in accordance with the criteria for independence set forth in the Code of Corporate Governance Practices for Issuers of Securities to the Public 2015 (hereinafter referred to as “the Code”).

5 TERM

Members of the committee shall be nominated and approved by the full board. Members shall serve one-year terms, renewable upon recommendation and approval by the full board. Each member of the committee shall hold office until the earliest of the following shall occur: his or her successor member is appointed, or he or she dies, resigns or is removed, or until he or she ceases to be a director.

6 MEETINGS

- 6.1 The committee shall meet at least four times each financial year with authority to convene additional meetings as circumstances require.
- 6.2 The quorum of the committee shall be two.
- 6.3 All members shall be expected to attend meetings of the committee; when unavailable in person; reasonable efforts shall be made to attend via tele-conference.
- 6.4 The committee may have in attendance such members of management and external advisers from time to time as it determines necessary, to provide additional information and explanations it may require to carry out its duties.
- 6.5 Agenda of the meeting will be prepared in advance and provided to members.
- 6.6 Minutes of the meetings shall be taken and circulated shortly thereafter.
- 6.7 The chairperson may be requested to convene a meeting if requested to do so by any committee member or the managing director.
- 6.8 The committee may meet independent of management.

7 DUTIES AND RESPONSIBILITIES

- 7.1 Approve direct and indirect remuneration of members of the executive management and other executives as may be determined by the committee.
- 7.2 Oversee and approve awards to employees and executives of the company and its subsidiaries under any approved stock award plans.
- 7.3 Approve recommendations made by management for annual or other bonus payments.
- 7.4 Provide for annual performance appraisals, in conjunction with the managing director of key senior officers as specified by the committee.
- 7.5 Provide for annual performance appraisal of the managing director and company secretary.
- 7.6 Review the company's pension plans and make recommendations for their improvement to the board.
- 7.7 Approve separation arrangements for the managing director or members of executive management (where necessary).
- 7.8 Receive periodic reports and recommendations from management with respect to:
 - 7.8.1 Remuneration and benefit plans and programs;

- 7.8.2 Plans and programs for attracting, developing, retaining and assuring the effective assignment of management personnel.
 - 7.8.3 Employee relations and policies and procedures; and make periodic reports and recommendations to the board.
- 7.9 Recommend to the board candidates for directorship to be considered for appointment by shareholders, which recommendations will include potential candidates proposed by all shareholders including majority shareholders in accordance with the company's by-laws. In making recommendations, the committee should consider the following factors:
- 7.9.1 The characteristics described in the Code.
 - 7.9.2 Whether the member/potential member is subject to a disqualifying factor as may be described in the Code.
 - 7.9.3 The performance of an existing member on the board and on any committees on which he or she has served and as part of such consideration, the committee may consult with the chairman of the board or the chairman of the specific committee as to their assessment of such performance.
 - 7.9.4 Whether an existing member has reached retirement age or a term limit as described in the Code.
 - 7.9.5 The member's/potential member's independence.
 - 7.9.6 Whether the member/potential member would be considered a "financial expert" or "financially literate" as described in applicable listing standards, legislation or audit committee guidelines;
 - 7.9.7 The extent of the member's/potential member's business experience, technical expertise, or specialized skills or experience; and
 - 7.9.8 Whether the member/potential member, by virtue of particular experience relevant to the company's current or future business, will add specific value as a board member.

- 7.10 The committee shall review and recommend to the board the assignment of members to committees of the board and in doing so, may consult with the chairman of the respective committees as to the performance of the candidates on those committees. The chairman of the board may also recommend to the committee candidates for appointment or reappointment, as members of board committees.
- 7.11 The committee shall formulate policies in relation to trade union relations and industrial relations.
- 7.12 The committee shall be responsible for recommending to the board compensation and benefit programs for non-executive directors, which programs shall be appropriate for a corporation of the complexity and size of the company. A portion of the directors' compensation may be in form of cash retainers and meeting fees and a portion may be in the form of stock grants or equivalent units.
- 7.13 Identify and recommend to the full board potential successors for the managing director in the event of emergency, retirement or resignation, or his or her disability and consider the recommendations of the managing director as to successors for other key management positions.
- 7.14 Perform an annual evaluation of the effectiveness of the board by means of an annual questionnaire regarding the board's performance, its contribution to the company, and aspects of board performance that could be improved. The committee shall gather and analyze the answers and make a report to the full board. The purpose of this assessment is to increase the effectiveness of the board as a whole, not to focus on individual board members. The committee shall also perform an annual evaluation of its own effectiveness. The results of the evaluation should be discussed with the full board. The purpose of such evaluation is to increase the effectiveness of the committee as a whole, not to focus on individual committee members. Such evaluations may be conducted with the assistance of independent facilitators, as seen fit by the committee.
- 7.15 Recommend to the full board any amendments or revisions to the Code.
- 7.16 The committee will ensure development of a diversity and inclusion policy and will be responsible for oversight of the policy.

8 SUCCESSION PLANNING:

- 8.1 Review and advise the board on succession plans for the board;

- 8.2 Review and advise the board on succession plans for the board committees;
- 8.3 Actively plan and advise the board on succession planning for management.

9 PROCESS FOR APPOINTING DIRECTORS

The committee has the responsibility of reviewing the integrity of the process of nominating directors. Generally the process to be utilized in the appointment of a new director to the board will be:

- 9.1 The committee shall review the required skills mix and expertise that the executive directors as well as independent and non-executive directors bring to the board and shall make disclosure of the same in its annual report.
- 9.2 The committee shall only consider persons with necessary skills and expertise to exercise independent judgment on issues that are necessary to promote the company's objectives and performance in its area of business.
- 9.3 The committee will identify and agree on the type of director (whether as executive, non-executive, independent or non-independent) and the skills set of the potential candidate.
- 9.4 For a candidate to be eligible for nomination, the candidates shall meet the various criteria set out under the Code, this charter or any other regulation at the time being in force.
- 9.5 The candidates so selected shall confirm their acceptance of and interest in the nomination.
- 9.6 The expression of interest must be accompanied by the necessary executive profiles of the candidates setting out their professional history for use by the committee in the recruitment process.
- 9.7 A shortlist of candidates as determined by the committee will be placed before the committee.
- 9.8 The committee shall meet with and hold exploratory discussions with the candidates with a view to selecting a further short list of candidate(s) for presentation to the board or recommending a preferred candidate to the board for the board's adoption.
- 9.9 The committee may be assisted in the recruitment by a third party recruitment firm.
- 9.10 The committee shall be responsible for developing an induction program for new directors that enables them to gain an understanding of:

- 9.10.1 The company's and the group's financial, strategic, operational and risk management position;
- 9.10.2 The rights, duties, and responsibilities of the directors;
- 9.10.3 The roles and responsibilities of senior executives; and
- 9.10.4 The role of board committees

10 SKILLS DEVELOPMENT

- 10.1 The committee will oversee skills development within the organization and shall receive reports on skills gaps and remedial actions.
- 10.2 On its part, a member of the committee may, with the approval of the board and at the company's expense, attend seminars or training courses related to issues pertaining to the functions and responsibilities of the committee.

11 ACCESS TO INFORMATION AND INDEPENDENT ADVICE

- 11.1 The committee shall have the right to utilize the company's internal and independent accountants, internal and external legal advisors and other internal staff in a reasonable manner and shall also have the sole right to retain and terminate independent compensation consultants, executive search firms, lawyers and other consultants to assist and advise the committee in connection with its responsibilities, including authority to approve the firm's fees and other retention items. The committee shall keep the company's general manager finance and strategy advised as to the general range of anticipated expenses for external consultants.
- 11.2 The committee may seek any information it considers necessary to fulfil its responsibilities and shall have access to management from whom it may seek explanations or information.
- 11.3 The committee may seek advice from employees of the company and from appropriate external advisers, at the company's cost and may meet with external advisers without management being present.
- 11.4 The members of the committee shall be entitled to rely on employees of the company or professional advisors or consultants engaged by the company where:

- 11.4.1 There are reasonable grounds to believe that the employee, adviser or consultant is reliable, credible and competent; and
- 11.4.2 The reliance was made in good faith and after making an independent assessment of the information.

12 INSURANCE AND INDEMNITIES

The committee shall cause to be established and periodically review any corporate indemnities for the benefit of directors and officers. However, the indemnity shall not otherwise attach to the director in connection with any negligence, default, breach of duty or breach of trust in relation to the company.

In addition the committee may propose an insurance cover for directors and officers as additional assurance. The policy taken may cover defense costs and damages (awards and settlements).

13 COMMITTEE REPORTING

The committee will provide a written report to the board, covering significant issues and activities of the committee, for every scheduled meeting of the board.

It will also review and assess, at least annually, the adequacy of this charter and submit the charter for approval to the full board at least every two years.

14 CONFIDENTIALITY

Unless otherwise required by law or the Constitution of Kenya, the members of the committee are required to keep committee discussions, committee papers and deliberations confidential.

15 COMMITTEE PERFORMANCE

The committee shall evaluate its own performance on an annual basis to determine whether it is functioning effectively and fulfilling its responsibilities as outlined in the charter. The purpose of such evaluation is to strengthen the effectiveness of the committee as a whole, not to focus on individual committee members.

16 REVIEW OF CHARTER

This charter shall be reviewed by the committee and updated every two (2) years to ensure that it is in line with all legal and regulatory requirements that may arise from time to time.

17 DELEGATED AUTHORITY

As a committee of the board, the committee plays an advisory role and is authorised to exercise those board powers expressly delegated to it in this charter.

Managing Director

Board Chairman

Date