



NATIONAL OIL CORPORATION OF KENYA

HUMAN RESOURCES BOARD COMMITTEE CHARTER

TERMS OF REFERENCE

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I. MANDATE

The mandate of the Human Resources Committee of the Board of Directors (hereafter “the Committee”) is to assist the Board of Directors (“the Board”) in fulfilling its oversight responsibilities by reviewing the management of human resources within the Corporation and providing recommendations and advice on the Corporation’s human resources management strategies, initiatives, and policies and any additional matters delegated to the Human Resources Committee by the Board.

2. COMPOSITION OF HUMAN RESOURCE COMMITTEE MEMBERS

- 2.1 The Committee will be comprised of a minimum of a third (1/3rd) of Directors of the Board. The members of the Committee will be appointed by the Board of Directors.
- 2.2 When making the appointment the Board will ensure that: -
- 2.2.1 Every member appointed is, independent of the current management or has not been involved in the management of the institution in the last two years preceding his /her appointment, and is free from any relationship that in the opinion of the Board would interfere with his/her exercise of independent judgment.
 - 2.2.2 At least one of the members has a background in HR Management.
 - 2.2.3 At least one of the members has a background in the Oil Industry.
 - 2.2.4 Every member appointed is familiar with the HR Board Committee’s terms of reference (Charter).
 - 2.2.5 Every member appointed is aware of the interest of all stakeholders.
- 2.3 The Secretary to the Committee shall have no voting rights
- 2.4 The Board will on an annual basis review the composition of the HR Board Committee and make any changes it deems appropriate.
- 2.5 HR Committee Board will be chaired by one of the Directors who shall be appointed by the Board amongst the Board HR Committee members.
- 2.6 The Board will have the absolute power to appoint and remove any member of HR Board Committee, and to fill all vacancies that may arise.

3. RESPONSIBILITIES AND DUTIES

To fulfill the mandate bestowed upon it by the Board, the Human Resources Board Committee will be responsible for performing the duties set out below as well as any other duties that are delegated by the Board:

- 3.1 Review and monitor the development of the Corporation's human resources management strategy to determine whether human resources plans and initiatives will enable the Corporation to achieve its strategic objectives;
- 3.2 Review and, when appropriate, recommend to the Board approval of the Corporation's human resources policies;
- 3.3 Review the terms and conditions of employment for Management including Chief Executive Officer and recommend the approval of same to the Board;
- 3.4 Review and make recommendations to the Board on the Corporation's compliance with legislative requirements in areas dealing with human resources management such as the Labour Laws and Employment.
- 3.5 Review investments and strategies for employee training, education, and development.
- 3.6 Review management's identification and assessment of any significant human resources risks to the Corporation and, if necessary, recommend measures to mitigate the risk;
- 3.7 Develop a Human Resources Committee work plan on an annual basis, identifying priorities and objectives
- 3.8 Responsible for reviewing Corporation's staffing requirement
- 3.9 Interview and recommend to the Board for approval of recruitment of Senior Management positions.
- 3.10 Review and monitor the Legal Departments' Operations, litigation cases and Case Reports.
- 3.11 Undertake any other duties that the Board may delegate to the Committee.

In discharging its duties under this mandate:

- i. Each member of the Committee shall be obliged to exercise the care, diligence and skill that a reasonable person would exercise in comparable circumstances.
- ii. The Committee may seek and rely in good faith upon any report of any professional set before the Committee.

4. OPERATING PROCEDURES

4.1 Reporting

The Human Resources Committee will regularly report to the Board on all significant matters it has addressed and with respect to such other matters as are within its responsibilities and seek the Board's approval, where necessary. The Committee will only perform the tasks delegated to it by the Board and may not exceed the authority or powers of the Board.

4.2 Review

The Human Resources Committee will review this Charter at least annually and submit it together with any proposed amendments to the full Board for approval with such further amendments, as it deems necessary and appropriate. The Board will review the effectiveness of the Human Resources Committee in fulfilling its responsibilities and duties as set out in this

Charter and in a manner consistent with the corporate governance guidelines adopted by the Board.

4.3 Meetings

- 4.3.1 The Committee shall hold its meetings on a quarterly basis meetings. Other Committee meetings may be called upon as the need may arise.
- 4.3.2 The quorum at all meetings will not be less than two thirds (2/3) of the Committee members.
- 4.3.3 Committee meeting agendas shall be the responsibility of the Committee Chair, with input from the Management and other Committee Members.
- 4.3.4 Unless the Committee specifies otherwise, the Company Secretary will act as Secretary for all meetings of the Committee
- 4.3.5 Minutes of each meeting of the Committee will be prepared by the Secretary and provided to members for review and confirmation at the next meeting of the Committee.

4.4 Board Committee papers

The agenda and the Board Committee papers for each Committee meeting will be available and provided to Committee members by the Secretary within seven (7) days but not less than four (4) days of the scheduled Committee meeting to allow members sufficient time to review them. Committee members will be expected to have read the papers prior to the meeting and thus will be expected to participate fully in Committee discussions on the agenda contained in the notice and the Board Committee papers.

4.5 Legal Advice

At any time Committee members may seek legal advice from the Corporation lawyers. All requests for advice will be made in writing to the Corporation's Company Secretary.

5. CHARTER APPROVAL

APPROVED by Board of Directors

This.....day of2022

SIGNED



Board Chairman

Date...14/01/2022.....