



LONGHORN

PUBLISHERS

expanding **minds**

LONGHORN PUBLISHERS LIMITED

COMMUNICATION POLICY

FEBRUARY 2015

1. Purpose

The main purpose of the Communication Policy is to establish guidelines for presenting Longhorn Publishers Limited (the Company) to current and potential stakeholders, both internally and externally. Furthermore, the policy is aimed at increasing the level of understanding among all employees as to how the Company communicates with its stakeholders.

2. Division of Responsibilities

The Managing Director (MD) is ultimately responsible for ensuring that the Company's communications are in compliance with the Communication Policy. The MD has delegated strategic responsibility for communication matters to the Marketing and Communications Manager who reports to the MD.

All communication with the Capital Markets and the Securities Exchange will be dealt with by the MD in liaison with the Company Secretary and as outlined in Appendix 2. The Company Share Registrar will deal with the day to day correspondence with the shareholders as stated in Appendix 3.

3. Spokespersons

In order for the Company's communications to live up to the Company's policies and goals, it is essential that the Company's spokespersons are those individuals with the best expertise and overview. Only designated spokespersons are permitted to issue statements on behalf of the Company. The Designated Spokespersons of the Company are the Chairman of the Board and the MD. These persons must have access to relevant information about the Company's position and performance and about their particular areas of expertise. They must also be fully familiar with the rules and standards concerning information as outlined by the Capital Markets Authority (CMA) and the Nairobi Securities Exchange (NSE).

The Chairman of the Board of Directors may issue statements on pertinent issues arising from the Board's responsibility for ownership issues, strategies, nominations, appointments, compensation, and corporate governance of the Company and its subsidiaries. Other Board members are not expected to make statements on behalf of the Company without prior consultation with and approval from the Board Chairman.

The MD is the principal spokesperson for the Company on Company-wide matters, including but not limited to the Company's financial position, business strategies, market assessments and competition analysis.

All other employees are not permitted to make statements on behalf of the Company, but are not prevented from making personal statements (on social media, for example). In such cases, the employee concerned must state clearly that his/her statement is from a personal viewpoint, and does not necessarily reflect the views or opinions of the Company or Management.

4. Co-ordination

In order for the Chairman and the MD to be able to act with authority as spokespersons for internal and external communication, it is essential that these individuals are kept informed about pertinent activities in all parts of the Company and the Group, and about questions originating from external stakeholders. This procedure helps to ensure high-quality communication and identifies where in the organization the ultimate responsibility for information lies.

Board members and Management are informed about Group and industry news and about articles and features in external media through reports from the Company's Departments and via news coverage services and the Intranet.

5. Disclosure of Material Information

5.1 Determination of whether information is material

Information about the Company is considered to be material if it has a significant effect or would reasonably be expected to have a significant effect on the market price of the Company's securities. The determination of whether information is material is subjective. The list of events set forth in Appendix "A", although not exhaustive, should be considered in making the determination of whether information is material.

5.2 Method and content of disclosure of material information

The Company shall disclose all material information to external stakeholders as soon as practicable after the event giving rise to the material information has occurred. All material information shall be disclosed via press releases as approved by the Capital Markets Authority. The material information shall also be posted on the Company's website.

The press release shall include sufficient information to enable external stakeholders to understand the nature and timing of the event giving rise to the material information as well as to allow such stakeholders to make an informed assessment of the effect of the material information on the market price of the Company's securities.

Material changes concerning the Company must be reported in accordance with the Capital Markets Authority regulations.

6. Responsibility for Disclosure of Material Information

The Chairman of the Board and the MD shall have responsibility for the disclosure of material information. These individuals have responsibility for the disclosure of material information because, by virtue of their positions within the Company:

- a) They are completely familiar with the operations of the Company;
- b) They are continuously up-to-date on pending material developments within the Company; and
- c) They have sufficient understanding of the disclosure regulations to enable them to determine whether information is material and hence requires disclosure.

The Chairman and the MD are the only individuals authorized to communicate with analysts, shareholders and other stakeholders regarding the material disclosed by the Company. By establishing this restriction, the Company ensures that:

- a) A consistent message is delivered to external stakeholders regarding Company matters;
- b) Only information authorized to be disclosed to external stakeholders is disclosed; and
- c) Selective disclosure of material information is avoided.

In certain circumstances, the Chairman and the MD may, on a case-by-case basis delegate their responsibility for external communication to other suitably qualified individuals within the Company. However, without such explicit delegation, external communication is restricted to the Chairman and the MD.

Where a press release contains information based on the Company's financial statements prior to the release of such statements, such press release should first be reviewed by the Audit and Risk Committee and thereafter, its release should be sanctioned by the Board of Directors.

7. Material Information

It is not possible to define all categories of material information. However, information should be regarded as material if there is a reasonable likelihood that it would be considered important to an investor in making an investment decision regarding the purchase or sale of the Company's securities.

While it may be difficult under this standard to determine whether particular information is material, there are various categories of information that are particularly sensitive and, as a general rule, should always be considered material. Examples of such information may include:

- Financial results i.e annual and half year results and related commentaries
- Significant corporate events, such as a pending or proposed merger, joint venture or tender offer, a significant investment, the acquisition or disposition of a significant business or asset.
- Earnings and dividends of an unusual nature;
- The acquisition or loss of a significant contract;
- A significant new product or discovery or product announcements of a significant nature;
- Change in control or significant change in management;
- The public or private sale of a significant amount of additional securities;
- A significant labour dispute or law suit against the Company;
- Establishment of a programme to make purchases of the Company's own shares;
- A tender offer for another listed company's securities;
- A significant alteration of the memorandum and articles of association of the Company;
- Peculiar circumstances that may prevail with respect to the Company or the relevant industry;
- Creation of significant financial obligations or significant changes in financial obligation;
- Impending bankruptcy or financial liquidity problems;
- Significant legal or regulatory developments, whether actual or threatened;

8. Press releases

The Company will issue press releases from time to time to disclose information that is important or of use to the public. Press releases will be prepared and reviewed in accordance with the Company's established practices, including review by the Company's Auditors, Company Secretaries and Legal Counsel, if appropriate. Press releases will be approved by and issued under the supervision of the MD and the Board of Directors as may be deemed appropriate.

9. Share price

No employee shall comment on how the Company's share price will change over time, on whether people should buy or sell the Company's shares or whether he or she believes that the share price reacted or will react to a particular event (i.e., business transaction, Company press release, etc.).

10. Competitor information

No employee shall discuss financial or operational information about competitors. A Designated Spokesperson should say that the Company does not comment about its competitors and suggest that the Third Party call the competitor directly.

A Designated Spokesperson may discuss market share figures and facts from competitors' earnings announcements.

11. Rumors

No employee may comment on rumors. A Designated Spokesperson is permitted to state that the Company has a policy against commenting on rumors.

12. Restrictions and confidentiality

Employees are bound by professional confidentiality with regard to all information that is for internal use, relates to customers or competition, or could potentially be price-sensitive.

13. Updates

The MD is responsible, in consultation with the Head of Marketing and Communications and other members of Management, for ensuring that the Communications Policy updated as necessary, distributed and complied with by all employees.

Appendix 1

INTERNAL COMMUNICATION

a) Purpose

The purpose of the Company's internal communication is to contribute to the Company's business objectives. It shall provide open and explanatory information aimed at informing employees of the Company's development, enhancing their knowledge of values, business objectives and strategies in order to strengthen their commitment, motivation, loyalty and sense of responsibility.

b) Principles

Internal communication at Longhorn Publishers Limited shall contribute to the Group's business objectives. To this end, internal communication shall maintain a high standard, encourage two way dialogue at all levels and develop possibilities for employees to give feedback and to be part of an open, inclusive communications climate.

c) Responsibility

The MD in consultation with the Head of Marketing and Communication and the respective Heads of Department, bear the primary responsibility for creating an open communication culture that conforms to the Company's core values and Code of Conduct and has the necessary organization and resources for distributing relevant information to employees.

d) Channels

In addition to daily contact between Management and employees, the main channels for distributing internal information are:-

- a) Through memos and email;
- b) Through the Intranet which should contain current and continuously updated Company information, external and internal news, articles, policies, among other items;
- c) In person communication, such as department meetings, which are a very efficient communications channel, and should be used whenever practicable, taking into account logistical and environmental considerations
- d) Newsletters and information to ensure cascading of information concerning the Group decisions and events
- e) The corporate website, containing important information about the Group and the Company.

Appendix 2

EXTERNAL COMMUNICATION

1. Investor Relations

a) Purpose

The purpose of Investor Relations is to keep the capital markets which includes present and potential investors, the general public and relevant regulatory authorities, continuously informed about pertinent Company information.

The information provided by Investor Relations also serves to broaden knowledge of and interest in the Company and thereby improve liquidity in trading of the Company's share, reduce risk from information deficits, and facilitate the raising of capital in the equity and debt markets when desired.

For the time being and unless otherwise informed, the role of Investor Relations will be performed by the Head of Marketing and Communication.

b) Target groups

Target groups are current and potential shareholders, current and potential creditors, stockbrokers, financial analysts, financial and market journalists, the Capital Markets Authority (CMA) and the Nairobi Securities Exchange (NSE).

c) Principles

The information disclosed by the Company concerning its financial position and development shall at least meet the minimum requirements prescribed for companies listed on the Nairobi Securities Exchange (NSE). The following principles apply:

- a) *Reliability* - All information to the capital markets shall be factual and correct, and must not be misleading in any way
- b) *Speed* - All information shall be issued as quickly as possible, so that the Company always retains the initiative to issue first-hand news
- c) *Simultaneity* - All information to the markets shall be conveyed to the relevant regulators including the NSE and the CMA simultaneously
- d) *Long term, consistent and proactive* – the Company shall always give correct and pertinent information to the capital markets in order, as far as possible, to avoid surprises that could reduce market trust in the Company and have a negative impact on the Group's capital market relations. Information must be fact-based and not speculative.
- e) *Pre-approval* – Some information to be released by way of press notices must be pre-approved by the Capital Markets Authority prior to release.

2) Communication with Shareholders

a) Company position

The Company pursues the fundamental principles of making fair disclosure of information to shareholders and conducting frank communication with shareholders.

The Board of Directors of the Company is responsible for maintaining an on-going dialogue with shareholders, and regularly reviewing the Communication Policy to ensure its effectiveness.

The Company maintains a policy on frank communication and aims to deliver information to shareholders and investors through various channels which include the Company's financial reports (including interim and annual reports), annual general meetings and other extraordinary general meetings that may be convened as well as by making available on the Company's website all the disclosed information submitted to the Capital Markets Authority and the Nairobi Securities Exchange, the Company's pertinent communications and other Company's publications.

b) Communication channels

- a) Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend the meetings.
- b) There shall be appropriate arrangements to encourage shareholders' participation in general meetings.
- c) The Company shall monitor and regularly review procedures for general meetings and, if necessary, changes will be made to ensure that shareholders' needs are best served.
- d) Members of the Board of Directors of the Company, the Senior Management team, the Company Secretary and the External Auditors are required to attend annual general meetings to answer shareholders' questions.
- e) According to the relevant provisions of the Articles of Association of the Company, notices of general meetings shall be dispatched to shareholders no less than 21 clear days prior to the date of the meeting together with relevant circulars and meeting materials.

c) Corporate Communications

- a) Corporate Communications will include but are not limited to (i) Annual Reports which contain among others, the directors' and auditors' reports, (ii) any interim financial reports and related commentaries, (iii) Notices of general meetings and related proxy forms (iv) circulars to shareholders to explain/support resolutions being proposed at general meetings.
- b) Corporate Communications should be made available to the Shareholders in a timely manner.
- c) Shareholders shall receive the Corporate Communications either in the printed form or through electronic means or through press announcements.

- d) Shareholders are encouraged to provide to the Share Registrar of the Company, amongst other things, their contact details including telephone contacts and email address in order to facilitate timely and effective communication.

d) Shareholders' enquiries

- a) Shareholders shall raise queries regarding their shareholdings with the Company's Share Registrar.
- b) Shareholders and investors may at any time request the Company's public information from the Company, the Company Secretary or the Company's Share Registrar. The Company provides an enquiry line and a designated email address for shareholders to raise any query.

e) The Company's website

- a) A dedicated "Investor Relations" section is available on the Company's website i.e longhornpublishers.com.
- b) Pertinent information submitted by the Company to the Capital Markets Authority and the Nairobi Securities Exchange shall be posted on the Company's website immediately thereafter. Such information includes financial statements, results announcements, circulars and notices of general meetings and relevant explanatory documents, (if any) and any other information required to be published under the Capital Markets Regulations from time to time.
- c) Press releases and newsletters issued by the Company from time to time are also available on the Company's website.
- d) Information on the Company's website is updated on a regular basis.

f) Ongoing communication with shareholders

In order to facilitate communication between the Company and the shareholders, the Company will organize various activities regularly including:

- Inviting shareholders to participate in the Company's results announcement briefings and roadshows;
- Organizing site visiting tours;
- Holding one-on-one meetings and conference calls with shareholders; and
- Participating in investors summits or annual conferences held by relevant organizations.

g) Shareholders privacy

The Company recognizes the importance of protecting shareholders' privacy and will not disclose shareholders' information which is not in the public domain without their prior consent, unless required by law.