



# GROUP CODE OF CONDUCT & ETHICS



## GROUP CODE OF CONDUCT & ETHICS

### To all Stakeholders of NCBA Group

NCBA Group (the Group) is a leading financial services provider in the region. The Group consists of NCBA Group PLC (the Non-Operating Holding Company) and its direct and indirect subsidiaries. Our success is the result of many things:

- the knowledge, experience and talent of our employees;
- the development and execution of our strategy;
- the strength of our management team;
- the quality and diversity of our products and services; and
- the depth of our relationships with our stakeholders.

This success is also very much the result of our values, which we constantly work to reinforce and communicate to our Stakeholders. The Group Code of Conduct and Ethics (the Code) expresses the values that drive our behavior. We live by our values and expect all who work with and for us to live by them as well. They are vital to securing and maintaining respect from our Stakeholders who are central to our business growth and sustainability. NCBA Group has identified the following as its key stakeholders:

- Shareholders;
- Employees;
- Development partners;
- Government agencies (including regulators);
- Suppliers;
- Customers;
- Media; and
- Community / members of the public.

## OUR VISION

To be the financial services partner that inspires your grow.

The Group's Corporate Values are; Driven, Responsive, Open, and Trusted.

## OUR COMMITMENT

At NCBA Group, we aspire to the highest standards of integrity and professionalism.

We commit to uphold and adhere to the requirements defined within the Board Charter on good governance and ethical practices.

We will be responsive to our customer needs, innovative in our product range, and offer superior quality service.

We have passion to excel, day in and day out as we go about our business.

We are committed to this Code of Conduct and Ethics to enable us deliver value to our stakeholders.

We, the Board of Directors, are committed to this Code of Conduct and Ethics. We appreciate your support in realising our vision in whatever capacity you serve.

Sincerely,

## NCBA GROUP PLC BOARD OF DIRECTORS

| Name                   | Designation             |
|------------------------|-------------------------|
| James P. M. Ndegwa     | Group Chairman          |
| Desterio A. Oyatsi     | Deputy Chairman         |
| John M. Gachora        | Group Managing Director |
| David Abwoga           | Executive Director      |
| Hon. Abdirahin H. Abdi | Non-Executive Director  |
| John S. Armitage       | Non-Executive Director  |
| Isaac O. Awuondo       | Non-Executive Director  |
| Philip R. Lopokoiyit   | Non-Executive Director  |
| Andrew S. M. Ndegwa    | Non-Executive Director  |
| Esther N. Ngaine       | Non-Executive Director  |
| Mukesh K. R. Shah      | Non-Executive Director  |

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## INTRODUCTION

The Group Code of Conduct and Ethics (the Code) outlines the principles and policies that govern NCBA Group's activities, and it applies to all the Group's internal Stakeholders and external Stakeholders to the extent applicable. The Code will be jointly reviewed by Human Resources Department and the Governance and Company Secretary Division at least every two years, or more frequently based on changes in the internal and/or external operating environment affecting the Group's governance and ethics programme(s).

The Group expects all of its Stakeholders to act in accordance with the highest standards of personal and professional integrity in all aspects of their activities and to comply with all applicable local and international laws, regulations and best practices, (including those relating to anti-corruption and anti-bribery practices and programmes), and company policies, procedures and standards. Internal stakeholders should read this Code together with the Group policies, procedures, and applicable laws and regulations governing all activities across the Group's operations.

If you have any questions about these policies or about any supplemental policies, you should discuss them with your Line Manager, Human Resources Business Partner, the Head of Compliance, the Head of Governance or the Group Company Secretary. Waivers or Exemptions to specific provisions may be granted by the Board of Directors through the Board Governance and Nominations Committee or Board Human Resources Committee, either directly or through the Group Managing Director. Following such approval(s), whether applicable to the entire Group or a specific Stakeholder or Stakeholder group, the Code and/or any other relevant policy will be amended to reflect the current practices (if needed), with timely disclosures to be made to the affected parties.

The Group expects its Stakeholders to act in full compliance with the policies set forth in this Code and in a manner consistent with high ethical standards. Failure to observe these policies may result in the institution of corrective action, up to and including immediate termination of employment or other relationship(s) with the Group.

This Code of Conduct and Ethics neither constitutes nor should it be construed to constitute a contract of employment or otherwise, for a definite term or a guarantee of continued employment and/or relationship with the Group.

All staff shall annually attest their commitment to abiding by the Code, and submit the attestation form (either digitally via the Group's intranet or through physical copy if unable to access the digital form for any reason) to the Human Resources Department (HRD) by a date to be determined and communicated to all staff by the HRD. The Code broadly gives guidance for professional conduct under the following major headings:

## A. Responsibilities to the Group

Stakeholders are responsible for maintaining ethical standards, including appropriate accounting and operational controls. We expect our Stakeholders to comply fully with all applicable laws and internal regulations.

Employees who become aware of violations of law, regulation or the Group's policies should communicate their suspicions to their immediate Line Manager, Human Resources Business Partner, the Compliance Manager, the Head of Governance, the Group Company Secretary; or through the Whistle Blowing email address ([ncba@tip-offs.com](mailto:ncba@tip-offs.com)), anonymously through the independent Whistle Blowing portal using the following link (<https://www.tip-offs.com/>), or through the anonymous Whistle Blowing toll free number (0800 722 626).

## B. Workplace Responsibilities

The Group is committed to fair employment practices and a workplace free from any kind of discrimination, harassment, intimidation of employees and/or drug use or sale. Similarly, employees are expected to avoid any practices that may appear to contravene this section. We are committed to the safety and well-being of stakeholders on our premises.

## C. Representing NCBA Group to Customers and Stakeholders

The Group Managing Director will be the authority for all publications, speeches, media interviews and other public appearances. We commit to treating our stakeholders and competitors fairly.

## D. Privacy/Confidentiality

We shall protect proprietary and confidential information at all times in accordance with applicable law. We keep customer information secure at all times.

## E. Investments and Outside Business Activities

Trading in the securities of NCBA Group PLC or any company it deals with while in possession of material non-public information is illegal. Communication of any unpublished price sensitive information to any person, or counseling another person to procure any securities on the basis of unpublished price sensitive information, is illegal.

We commit to ensuring that all our investments and outside business activities conform to the applicable legal frameworks and ethical standards.

## F. Social Responsibility and Commitment to the Environment

We are committed to doing business in an environmentally responsible manner through identifying and mitigating environmental risks that may arise from our operations and/or business activities.

### **G. Anti-Money Laundering Compliance (AML) / Combating the Financing of Terrorism (CFT) / Know Your Customer (KYC)**

We commit to complying with the Anti-Money Laundering, Combatting the Financing of Terrorism and Know your Customer Legislations, Regulations and Policies, and shall develop and implement effective programmes that are designed to mitigate the associated risks.

### **H. Corporate Governance, Risk Management & Compliance, Audit and Internal Control Frameworks**

We are committed to having an integrated risk management programme encompassing Corporate Governance, Risk Management & Compliance, Audit and Internal Controls that reflect best market practice, and which is in line with both domestic and international Risk Management guidelines so as to promote a strong risk culture within our operations.

## **PROFESSIONAL CONDUCT GUIDANCE:**

### **1. RESPONSIBILITY**

Maintaining ethical standards, including appropriate accounting and internal controls, is the responsibility of every stakeholder of the Group. Early identification and resolution of ethical issues that may arise are critical to maintaining our commitment to Integrity, Professionalism and Responsiveness.

We commit to upholding and adhering to all the laws and regulations affecting the Group's businesses, and such other guidelines and recommendations as may be issued from time to time by relevant industry bodies related to the Group's businesses such as the Kenya Bankers Association (KBA), Kenya Institute of Bankers (KIB), Kenya Association of Stockbrokers and Investment Banks (KASIB), Association of Insurance Brokers of Kenya (AIBK), Federation of Kenya Employers (FKE) and any other relevant industry stakeholder.

Our Stakeholders are expected to treat compliance with ethical standards as a critical element of their responsibilities. Although this Code endeavors to address a wide range of business practices and procedures, it cannot anticipate every issue that may arise. If you are unsure of what to do in any situation, you should seek additional guidance and information before you act.

If you have any questions regarding the best course of action to take in a particular situation, or if you suspect or become aware of a possible violation of a law, regulation or policy, you should promptly contact any of the following as shall be applicable to your circumstances:

- Line Manager;
- Human Resources Business Partner;
- The Compliance Manager;
- The Head of Governance; or
- The Group Company Secretary.

If you raise an ethical issue and you do not believe the issue has been appropriately addressed, you should raise it with the Group Managing Director or you may choose to remain anonymous and report ethics related issues through the Group's Whistle Blowing channel.

### **2. INVESTIGATIONS**

We commit to fully co-operating with any appropriately authorised internal or external investigators, including but not limited to those involving ethical issues or complaints on discrimination or harassment. Making false statements to or otherwise misleading internal or external auditors, investigators / reviewers or regulators is grounds for immediate termination of employment or other relationship with the Group and may also be a criminal act that can result in severe penalties and prosecution. You must never withhold or fail to communicate information that raises ethical questions and thus should be brought to the attention of Management.

In addition, you are required to report suspected insider trading, fraud or attempted fraud, and any disappearance of assets, funds or securities immediately. The reports may be submitted anonymously through the independent Group Whistle Blowing channel, or via such other practical means and in sufficient detail to enable a comprehensive review of the matter reported.

### **3. PROTECTING GROUP ASSETS**

We commit to safeguarding the tangible and intangible assets of the Group and those of its stakeholders that are under our control. The Group's assets may be used only for stipulated business purposes. Assets include cash, securities, business plans, customer information, supplier information, distributor information, intellectual property (innovations, computer programs, models and other items), physical property and services. Misappropriation of assets is a breach of fiduciary duty and may constitute an act of fraud against the Group. Carelessness or waste in regard to the Group assets is highly discouraged as it leads to loss of value to Stakeholders. Telephone, e-mail, voice mail and computer systems are primarily for business purposes and shall not be used in a manner that could be harmful to the reputation of the Group. Personal communication using these systems must be kept to a minimum as detailed in the Group's IT policy.

Employees should disclose and assign to the Group all interests in any inventions, improvements discoveries or works arising out of or in connection with their employment with the Group.

#### 4. ACCURACY OF RECORDS AND REPORTING

All records, data and information owned, collected, used and managed by the Group, including regulatory reports, must be accurate and complete. We are personally responsible for the integrity of the information, reports and records under our control. Records must be maintained in sufficient detail as to accurately reflect all transactions.

Financial statements must always be prepared in accordance with generally accepted accounting principles and fairly present, in all material respects, our financial condition and results.

We must observe standards of professionalism and integrity regarding content and language when creating business records and other documents (such as e-mail) that may be retained by the Group or a third party.

Records should be retained in accordance with the approved record retention policies and Stakeholders are prohibited from destroying any records that are potentially relevant to a violation of law or any litigation or any pending, threatened or foreseeable investigation or legal proceeding.

#### 5. WORKPLACE RESPONSIBILITIES

##### 5.1 FAIR EMPLOYMENT PRACTICES

NCBA Group seeks to recruit, develop and retain the best talented people. Recruitment of new employees through a rigorous selection process is based on qualification, experience and suitability.

Career advancement at NCBA Group is based on skill, performance, and individual potential to develop professionally. Other processes that support the organisational structure and career progression include job evaluation and placement, succession planning and reward management. The Group is fully committed to equal employment opportunities.

##### 5.2 DISCRIMINATION AND HARASSMENT

The Group values a work environment where employees' diversity is valued and respected. Discrimination, harassment or intimidation of any nature, whether committed by or against a supervisor, co-worker, customer, vendor or visitor is strictly prohibited. Discrimination and harassment, whether based on a person's race, gender, colour, creed, religion, national origin, citizenship, age, disability, marital status, sexual orientation or socioeconomic status is completely

inconsistent with our aspirations of providing a respectful, professional and dignified workplace.

If you believe that you are being subjected to discrimination or harassment, or if you observe or receive a complaint regarding such behavior, you should report it to your supervisor or, to your Human Resources Business Partner, or to the Group Managing Director. You may choose to remain anonymous via the Group's Whistle Blowing channel.

All allegations of harassment or discrimination will be investigated and appropriate corrective action taken to the fullest extent permitted by law. Retaliation against individuals for raising claims of discrimination or harassment is strictly prohibited.

##### 5.3 DRUG-FREE WORKPLACE

To meet our responsibilities to our stakeholders, we commit to maintaining a healthy and productive work environment. Misuse of potentially addictive substances or selling, trafficking, manufacturing, distributing, possessing, using or being under the influence of such substances on the job is prohibited.

##### 5.4 SPECULATIVE ACTIVITIES

NCBA Group is mindful of the adverse impact of addictive and misleading practices such as betting, lotteries, lucky-numbers and other gaming activities which appear to be gaining popularity in our region. In keeping with its responsibility to maintain a healthy and productive work environment, the Group will strive to ensure that such practices are discouraged through periodic sensitisation / training and implementation of measures to discourage staff from engaging in speculative activities.

Employees of the Group shall not participate in any gambling or lottery activity for money or anything of value while on the Group's premises or while conducting business on behalf of the Group.

#### 6. REPRESENTING NCBA GROUP TO STAKEHOLDERS

##### 6.1 SAFETY IN THE WORKPLACE

The safety of people in the workplace is of utmost importance to the Group. Each of us must comply with all applicable health and safety policies. We must maintain compliance with all local and international laws, and internal guidelines that have been developed to help maintain secure and healthy work surroundings.



## 6.2 FAIR TREATMENT

The Group is committed to dealing fairly with its Stakeholders and competitors. No person may take unfair advantage of anyone through manipulation, concealment, abuse of confidential information, misrepresentation of material facts or other unfair business practices. All customer applications for loans and other credit products must be treated consistently with the Group's credit policies.

## 6.3 MEDIA, PUBLISHING AND PUBLIC APPEARANCES

All publications, speaking engagements, interviews or public appearances that are connected to the Group's business interests shall be approved by the Group Managing Director. All enquiries from the media relating to the Group should be referred to the Group Director - Marketing, Communication & Citizenship.

The Managing Directors of the regional subsidiaries are authorised to speak in their respective countries on behalf of their respective businesses.

All staff shall adhere to the Group's Media Relations Policy. Staff interacting on the online social media space whether in a personal capacity or when acting on behalf of the Group, should adhere to the Group's Corporate Values, the Code and the applicable Information and Communications Technology (ICT) and Marketing Communications and Citizenship (MCC) Policies. Any deviation from these commitments may be subject to disciplinary review or other appropriate action as outlined in the Group's Human Resources Management Policy.

The privacy of our clients is protected by the various laws, regulations and guidelines that regulate the Group's businesses in the respective countries it operates and is embedded in the Group's internal policies on customer confidentiality and privacy rights.

## 6.4 GIFT/BENEFIT AND ENTERTAINMENT

In general, you may not accept gifts/benefits or the conveyance of anything of financial value exceeding Kshs. 5,000/- from current or prospective stakeholders. However, items such as product samples given in the course of ordinary business activity by Stakeholders seeking to promote their products are acceptable, as long as they may not be construed to be inducements for favourable procurement or other business activity such as, but not limited to, lending by any of the Group entities.

Cash gifts/benefits of any amount are strictly prohibited. You must never accept a gift/benefit under circumstances in which it could appear that your business judgment has been compromised. Similarly, you may not accept or allow a close family member to accept gifts/benefits, services, loans or preferential treatment from customers, suppliers or others, in exchange for a past, current or future business relationship with NCBA Group Gifts/benefits may be accepted (subject to applicable law) if they are:

- a. customary and reasonable meals and entertainment at which the giver is present, such as the occasional business meal or sporting event; or
- b. gifts/benefits from family or friends with whom you have a non-business relationship.

Staff shall declare/disclose to their Head or Group Director of Department through their Line Manager, any gifts of any value offered or received from customers, suppliers or any other person with direct or indirect business dealings relating to the Group, within 24 hours of receipt of the gift.

The Head or Group Director of Department will then advise the member of staff as to whether or not it is permissible to retain the gift, politely return it to the giver or such other prudent action that is protective to both the member of staff and the Group.

The Human Resources Department shall maintain a gifts register where all gifts declared/disclosed by staff and the decision made in relation to those gifts shall be recorded. The Board of Directors shall not accept a benefit/gift from a third party if the benefit is attributable:

- a. to the fact that the person is a director of the company; or
- b. to any act or omission of the person as a director. The duty imposed on the Board of Directors not to receive a benefit/ gift is not infringed if the acceptance of the benefit/ gift cannot reasonably be regarded as likely to give rise to a conflict of interest.

If you have any question about the appropriateness of accepting a gift/benefit or invitation, you should discuss the matter with your Human Resources Business Partner, the Head of Compliance, the Head of Governance or the Group Company Secretary prior to acceptance. If a gift/benefit could be seen as engaging in bribery or a consideration for an official or business favour, you must not give or take the gift/benefit and should immediately report the offer to your supervisor.

Appropriate entertainment may be offered by staff to customers by persons authorised to do so, in accordance to the Group Human Resources Management Policy and the Group Expense Management Policy guidelines. Under no circumstances may you offer or accept anything of value to a government official for the purpose of influencing the recipient to take or refrain from taking any official action, or to induce the recipient to conduct business with the Group.

## 6.5 BRIBERY AND CORRUPTION

A bribe is any gift, payment or other benefit offered in order to secure an improper advantage (whether personal or business-related).

NCBA Group is committed to zero tolerance of any form of Bribery, whether direct or indirect, by the Group's Stakeholders who should not give, request, agree to receive or receive a financial or other advantage intending that, a relevant function or activity should be performed improperly whether by that person giving or receiving the bribe or by another person. Specifically, Directors and Employees of the Group must not give or receive bribes to or from any public and private officials.

### 'ADVANTAGE' INCLUDES:

1. money or any gift, loan, fee, reward, commission, valuable security or other property or interest in property of any description, whether movable or immovable;
2. any office, employment or contract;
3. any payment, release, discharge or liquidation of any loan, obligation or other liability whatsoever, whether in whole or in part;
4. any other service, favor or advantage of any description whatsoever, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary or penal nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty; and
5. any facilitation payment made to expedite or secure performance by another person.

The Group encourages all Directors and Employees who act on its behalf to report any information on any Bribery activities within the Group or being performed by any Directors, member of staff, its agents, partners or associates, which they have knowledge or are privy of once they have such knowledge or information, through the channels provided under the Whistle Blowing Programme.

Once the Group receives a report or information relating to a Bribery allegation it shall, while commencing an investigation of the matter, report to the Ethics and Anti-Corruption Commission within 24 hours of such knowledge. The Head of Securities and Investigations Department shall be in charge of the reporting.

## 7. DEALING WITH SUPPLIERS

NCBA Group purchases all goods and services on the basis of price, quality, availability, terms and service. Suppliers and service providers must adhere to the Group policies as applicable and agree to keep any relationship with the Group confidential unless disclosure has been approved. All suppliers must comply with applicable non-discrimination laws, and abide by the Group Policies on Procurement and Supplies. Vendor relationships may be subject to other restrictions or disclosure obligations under prevailing laws.

The Group shall at all times ensure timely, transparent and effective communication with all suppliers and any other stakeholders.

Employees responsible for a customer relationship must never lead a supplier or customer to believe that they can influence any procurement decisions at NCBA Group. In connection with offering or pitching business to a supplier or customer, employees may not suggest that any business or service may be withdrawn or awarded in return for personal reward. Real or perceived conflicts of interest in the procurement process should be disclosed and avoided.

The Group shall institute and adhere to the Alternative Dispute Resolution (ADR) mechanisms to solve any internal or external disputes in the organisation with the aim of expeditiously resolving complaints / conflict outside of the judicial process and hence promoting fair, prompt and inexpensive out of court settlements.

## 8. POLITICAL ACTIVITIES AND CONTRIBUTIONS

You have the right to voluntarily participate in the political process. No one from NCBA Group may require you to contribute/donate to, support or oppose any political group or candidate. If you choose to participate in the political process, you must do so as an individual, not as a NCBA Group employee/ representative, and in a manner that does not touch on the Group's name, or imply or create a conflict of interest with your work or position within the Group.

Should you choose to run for an elective political office, you will be required to resign from the Group prior to seeking such a position. You may not work on a political fundraiser or other campaign activity or openly support any political party while in the Group's employment, or use the Group's name, property or resources for these activities.

The relevant Industry Association or Body will represent NCBA Group as a corporate entity in all political and/or government matters.

## **9. PRIVACY /CONFIDENTIALITY**

### **9.1 PROPRIETARY AND CONFIDENTIAL INFORMATION**

You must protect the confidentiality of any non-public information that you obtain or create in connection with your activities for NCBA Group. You must not disclose proprietary or confidential information about the Group or its employees, or confidential information about a customer, supplier or distributor, to anyone who is not authorised to receive it or has no need to know the information. The only exceptions are when such disclosure is authorised by the customer, supplier or distributor, or by applicable law or appropriate legal process.

Examples of proprietary and confidential information include any system, information or process that gives NCBA Group an opportunity to obtain an advantage over its competitors; non-public information about the Group's operations, results, strategies and projections, business plans, business processes and client relationships.

You must take precautionary measures to prevent unauthorised disclosure of proprietary and confidential information. Accordingly, you should also take steps to ensure that business-related information and documents are produced, copied, transmitted, filed, stored and discarded by means designed to minimise the risk that unauthorised persons might obtain access to proprietary or confidential information.

You should also ensure that access to work areas and computers is properly controlled. You should not discuss sensitive matters or confidential information in public places such as elevators, hallways, restaurants, rest rooms and public transportation.

## **9.2 PRIVACY OF EMPLOYEE INFORMATION**

NCBA Group recognises and protects the privacy and confidentiality of employee medical and personnel records. Such records must not be shared or discussed with unauthorised parties except as authorised by the employee or as required by law or regulation.

## **10. INVESTMENTS AND OUTSIDE ACTIVITIES**

### **10.1 INSIDER TRADING**

NCBA Group policy and the various laws, regulations and guidelines that regulate the Group in the respective countries it operates, prohibits an employee who is or at any time in the preceding six months has been connected with a corporate body from trading in the securities, (including equity securities, convertible securities, options, bonds and any stock index containing the security), of any company while in possession of material, non-public information, (also known as "insider information"), regarding the company.

Despite the aforementioned, an individual in the Group who is not defined as an "insider" by the Capital Market Authority Act, may trade with shares of a listed body Corporate within thirty (30) days after the body Corporate's financial information and/ or other corporate disclosures are published in the media. This prohibition applies to NCBA Group's securities as well as to the securities of other companies of which NCBA Group staff are in possession of material non-public information regarding those companies. It applies to transactions for any account, be it a client account or personal account.

A personal trading account is any account in which you have a financial or beneficial interest, or the power to affect or ability to influence trading or investment decisions, either directly or indirectly. Personal trading accounts typically include accounts of spouses, children and other members of your household, and accounts of legal entities over which you have investment discretion.

The Human Resources Department shall maintain a register of the annual declarations by all staff relating to Insider Trading prohibitions and direct holdings for review and guidance. The register shall also contain such guidance or decision made in relation to the declared interests. The declaration forms shall be submitted by a date to be determined and communicated to all

staff by the HRD. If you believe you have come into possession of insider information, you may not execute any trade in the securities of the subject company without first consulting the Head of Compliance, Head of Governance, or the Group Company Secretary, who will then determine whether such trade would violate policy or applicable laws.

Information is considered to be "non-public" unless it has been publicly disclosed, and adequate time has passed for the securities markets to digest the information. Examples of adequate disclosure include public filings with securities regulatory authorities and the issuance of press releases, and may also include meetings with members of the press and public. Please refer to Group Staff & Related Parties Securities Trading Policy for more details.

## **11. CONFLICTS OF INTEREST**

You must be sensitive to any activities, interests or relationships that might interfere with, or even appear to interfere with, your ability to act in the best interests of NCBA Group and its customers. The following are some of the areas in which real or perceived conflicts of interest may arise.

### **11.1 USE OF NCBA GROUP NAME, FACILITIES OR RELATIONSHIPS**

You should not use the Group's name (including on corporate letterhead or personal websites), facilities or relationships for personal benefit or for outside work. Use of the Group's name, facilities or relationships for charitable purposes can be made only with prior approval from the Group Managing Director through the Director - Marketing, Communication and Citizenship.

Directors who receive requests for sponsorships, financial or other form of support, employment opportunities and related solicitations from external parties should (if required) seek guidance on the appropriate response from the Group Company Secretary, Chairman of the Board Governance and Nominations Committee or the Board Chairman.

### **11.2 RELATED PARTY BUSINESS DEALINGS**

You must notify your Head of Department of any business relationship or proposed business transaction you may have with any company in which you or a related party has a direct or indirect interest or from which you or a related party may derive a benefit, or where a related party member is employed, if such a relationship or transaction might give rise to a conflict

of interest (for example, if you or a family member owns or controls property of significant value that NCBA Group is either purchasing or leasing).

### **11.3 INVESTMENTS**

You must not make any personal investment in an enterprise if the investment might affect or appear to affect your ability to make unbiased business decisions for NCBA Group. If you made such an investment before joining the Group, or your position at NCBA Group changes in such a way as to create a conflict of interest or the appearance of such a conflict, you must notify in writing, the facts to your Head of Department and Human Resources.

Investments falling under this provision include investments in a public or private company that is a vendor to or competitor of the NCBA Group, or otherwise does business with or is doing a transaction with the Group that may be associated with investments in public companies.

### **11.4 OTHER OUTSIDE BUSINESS INTERESTS / EMPLOYMENT**

It is considered a conflict of interest if a staff member conducts business other than the Group's business during office hours. Where the acquisition of any business interest or participation in any business activity outside the institution and office hours demands time and attention from the member of staff, thereby depriving the Group of the employee's best efforts on the job, a conflict of interest is deemed to exist.

Before making any commitment, employees are to discuss possible part-time employment or other business activities outside the Group's working hours with their manager or departmental head. A written approval of the respective Division Director and/or Director of Human Resources should be obtained before an employee embarks on any part-time employment or other business activities. Approval should be granted only where the interest of the institution will not be jeopardised.

### **11.5 OUTSIDE FINANCIAL INTEREST**

Where employees have a financial interest in a customer, whether a sole proprietor, shareholder, creditor or debtor, such an interest must be disclosed immediately to their immediate supervisor and human resources. Thereafter, the affected staff should not be directly involved in the Group's dealings with the customer so long as the interest continues to exist.

The above restriction does not apply in cases where employees have holdings of public quoted securities unless the management views the interests to be material, and that the financial interest is considered likely to impair the objectivity of the member of staff concerned. The holding of five per cent or more of the voting shares of a publicly quoted company would be regarded as material.

#### **11.6 CORPORATE DIRECTORSHIP**

Employees must not solicit corporate directorships. An employee should not serve as a director of another corporation without the approval of the Group Managing Director through the employee's Department Director, or the Board of Directors as the case may warrant through the submission of the declaration of the external business interests / activities. This policy is intended to avoid conflict of interest situations and excessive external demands on the time of employees. In instances where staff are requested to undertake voluntary public or charitable service whether on a regular or part time basis, prior consent should be obtained from the employee's Department Director, or from the Group Managing Director. This is provided that the voluntary, public or charitable work does not conflict with the employee's duties with the Group.

Any employee accepting an appointment, as director of an unaffiliated for-profit company or organisation must ensure the proper treatment of confidential information received from such entity in connection with being a director.

The Human Resources Department shall maintain a register of the annual declarations by staff relating to potential conflicts of interest for review and guidance. The register shall also contain such guidance or decision made in relation to the declared interests. The declaration forms shall be submitted by a date to be determined and communicated to all staff by the HRD.

#### **11.7 TRUSTEESHIPS**

Employees must not solicit appointments as executors, administrators or trustees of customer estates. If such an appointment is made and the employee is a beneficiary of the estate, his signing authority for the estate's bank and other financial account(s) must be approved by the Director, Human Resources or by the Group Managing Director.

The Human Resources Department shall maintain a register of the annual declarations by staff relating to potential conflicts of interest for review and guidance. The register shall also contain such guidance or

decision made in relation to the declared interests. The declaration forms shall be submitted by a date to be determined and communicated to all staff by the HRD.

### **12. SOCIAL RESPONSIBILITY AND COMMITMENT TO THE ENVIRONMENT**

NCBA Group is committed to running the business in an environmentally sensitive manner. Environmental risks or opportunities that may arise out of our operations should be identified and managed in accordance to the various laws, regulations and guidelines that regulate NCBA Group in the respective countries it operates. The Group, through its Marketing, Communications and Citizenship office, will participate in environmental protection initiatives in conjunction with government bodies, Non-Governmental Organisations and other private concerns. Employees are encouraged to support environmental protection activities individually or collectively.

NCBAGroup, through its Board of Directors, commits to undertake sustainability reporting as per the various laws, company policies & procedures and regulations providing for sustainability reporting including the NCBA Group Environmental and Social Management System Policy and Procedures Manual, Capital Markets Authority (CMA) Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015, the Companies Act, 2015 and such other guidelines and recommendations as may be issued from time to time by relevant industry bodies such as the Kenya Bankers Association (KBA) where applicable.

NCBA Group takes cognisance of the fact that its sustainability and success is dependent upon the environment and the communities in which it operates. The Group policy is to ensure that its activities meet and exceed the social, economic and environmental expectations of its stakeholders.

Although NCBA Group's Social Responsibility initiatives primarily target education, environment and financial literacy, the Group continually realigns this to create a unified team, strategy and business plan. Employees and other stakeholders are therefore encouraged to actively participate in Social Responsibility initiatives.

### **13. ANTI-MONEY LAUNDERING COMPLIANCE/KNOW YOUR CUSTOMER**

Money laundering is a problem of global proportions with potentially devastating consequences. It is the process of converting illegal proceeds so that funds are made to appear legitimate, and it is not limited to cash transactions.



The Group takes seriously its obligation to join with governments, international organisations and other members of the financial services industry to help close off the channels that money launderers use. As an employee of NCBA Group, you must follow the existing Proceeds of Crime & Anti-Money Laundering Act, Prevention of Terrorism Act plus regulations and internal Anti-Money Laundering policies and procedures pursuant to these laws and guidelines. The Group will ensure all employees are trained on AML policies and procedures within six (6) months of being employed.

Engaging in (either directly or indirectly), concealing, disguising and conspiring to engage in a transaction that involves property that is proceeds of any money laundering predicate offence, terrorist act or terrorism financing is a criminal offence. Money laundering predicate offence refers to the underlying criminal activity that generates proceeds, which when laundered results in the offence of money laundering (examples of predicate offences include human trafficking, robbery, fraud, corruption, bribery, insider trading, counterfeiting of goods etc.).

Tipping off, i.e. informing a person/customer that an investigation into money laundering has been, is being, or is about to be conducted thereby prejudicing the investigation, is also a criminal offence. In addition, members of staff who are found to have knowingly and wilfully engaged in the above offences will be subject to disciplinary action in line with the Group Human Resource Disciplinary Procedures.

#### 14. **CORPORATE GOVERNANCE, RISK MANAGEMENT & COMPLIANCE, AUDIT AND INTERNAL CONTROLS FRAMEWORKS**

All employees are responsible for managing risks within their areas of responsibility and complying with the Group's Risk Management and Compliance Policies and Procedures.

Corporate governance is the system of rules, practices and processes by which a company is directed and controlled. Corporate governance essentially involves balancing the interests of a company's many stakeholders, such as shareholders, management, customers, suppliers, financiers, government and the community. Corporate Governance involves the manner in which the business and affairs of an institution are governed by its board and senior management and provides the structure through

which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined.

Corporate Governance activities ensure that critical management information reaching the executive team is sufficiently complete, accurate and timely to enable appropriate management decision making, and provide the control mechanisms to ensure that strategies, directions and instructions from management are carried out systematically and effectively.

Risk Management is the set of processes through which management identifies, analyses, and where necessary responds appropriately to risks that might adversely affect realisation of the organisation's business objectives. The response to risks typically depends on their quantified or perceived gravity, and involves controlling, avoiding, accepting or transferring them to a third party.

Compliance means conforming to stated requirements. It is achieved through management processes which identify the applicable requirements, (defined for example in laws, regulations, contracts, strategies and policies), assess the state of compliance, assess the risks and potential costs of non-compliance against the projected expenses to achieve compliance, and hence prioritise and initiate any corrective actions deemed necessary.

Audit is a systematic and independent examination of books, accounts, statutory records, documents and vouchers of an organisation to ascertain how far the financial statements as well as non-financial disclosures present a true and fair view of the concern.

Internal Controls is a process for assuring achievement of an organisation's objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations and policies.

The Board of Directors shall adhere to the Corporate Governance principles outlined in the KBA Charter section 3.5.6, Companies Act 2015, Capital Markets Authority (CMA) Code of Corporate Governance 2015, Central Bank of Kenya (CBK) Prudential Guideline on Corporate Governance CBK/PG/02 and any other governance principles stipulated in the various laws and regulations affecting the Group.

As an employee of NCBA Group, you must adhere to the Group's Governance, Risk and Compliance Policies and Procedures. The Group will ensure all employees understand their roles and responsibilities pertaining to its risk management program.

**15. TELEPHONE VOICE RECORDS**

The Group may in an effort of ensuring customer service efficiency and/or retaining information, or in adherence to various local and international regulations, record and maintain telephone conversations of specific departments and telephone extensions.

**16. CONSUMER PROTECTION GUIDELINES**

All members of staff shall read, be conversant with and adhere to any prevailing laws, regulations and/or guidelines relating to consumer rights that may be adopted or advised by law and/or by the Group's regulators or the Group's policies.

Customer complaints and disputes must be dealt with swiftly to ensure the Group's good reputation is maintained. Complex or long running disputes will be referred to the internal Alternative Disputes Resolution mechanism for final arbitration.

**17. APPLICABLE LAWS**

The laws, regulations and guidelines that govern the NCBA Group in the respective countries it operates within shall complement and apply to this code of conduct and ethics, and all parties to the code are expected to know and comply with these laws and regulations at all times.







