



SAMEER AFRICA PLC

POLICY ON CONFLICT OF INTEREST

Adopted on .../..., 2021

Revised 20.05.2021

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1. Purpose

The purpose of this policy is to assist board members of the company to effectively identify, disclose and manage any actual, potential or perceived conflicts of interest and consequently to protect the integrity of the company and manage risk associated thereto.

2. Objective

The principal objective is to ensure that the board, board committee's or other governance structure as may be relevant (called the 'board' in this policy) are aware of their obligations to disclose any perceived or potential conflicts of interest and to comply with this policy. The policy is intended to facilitate effective management and to mitigate the risk associated with non-conformance with best practice.

3. Scope

This policy applies to the board members of the company.

4. Definition of conflicts of interests

Conflict of Interest means a situation that has the potential to undermine the impartiality of a person because of the possibility of a clash between the person's self-interest and professional interest or public interest.

4.1 Types of conflict of interest

Conflict of Interest may take the following forms:

- a) Direct- this arises when a member of the board or immediate member of family stands to gain or lose as a result of an agenda presented to the board for discussion.
- b) Indirect- when the financial gain or loss occasioned by the board decision is borne by another person with no direct relation to the board and another company.
- c) Perceived- this is when an outsider feels that a given decision was arrived at because of some other influence to favor a given result.

These situations present the risk that a person will make a decision based on, or affected by, these influences, rather than in the best interests of the company and must be managed accordingly.

Conflict of interest includes conflict of interest and duty and to a conflict of duties.

5. Policy

This policy has been developed to guide the board in managing and mitigating the risks associated with conflicts of interest. It is the policy of the company as well as a responsibility of the board, that ethical, legal, financial or other conflicts of interest be avoided and that any such conflicts (where they do arise) are disclosed so as to uphold the obligations owed to the company.

The duty of a director to avoid a conflict of interest is not infringed if the situation cannot reasonably be regarded as likely to give rise to a conflict of interest or if the matter has been authorized by the other directors by the matter being proposed to and authorized by them, in accordance with Clause 1.106 and 1.107 of the articles of association and Section 151 of the Companies Act, 2015.

The company shall manage conflicts of interest by requiring board members to;

- (a) Avoid conflicts of interest where possible.
- (b) Identify and disclose any conflicts of interest.
- (c) Carefully manage any conflicts of interest, and
- (d) Follow this policy and respond to any breaches.

5.1 Responsibility of the board

The board is responsible for;

- (a) Establishing a system for identifying, disclosing and managing conflicts of interest across the company.
- (b) Monitoring compliance with this policy, and

5.2 Identification and disclosure of conflicts of interest

Once an actual, potential or perceived conflict of interest is identified, it shall be brought to the attention of the board and upon declaration shall be entered into the company's register of interests. This may be done by completing the declaration of interest form attached hereto. Where a director is in receipt of the board pack and becomes aware of a potential conflict of interest he shall disclose and declare the nature and extent of his interest to the chairman of the board at commencement of the meeting. Every agenda of a meeting shall include an agenda item on "**Declaration of conflict of interest**". Where any of the other board members share a conflict, each member shall be required to disclose and declare the nature and extent of the conflict.

A register of interests shall be maintained by the company secretary and record all information related to a conflict of interest (including but not limited to the nature and extent of the conflict of interest and any steps taken to address it).

6. Confidentiality of disclosures

Disclosures made at meetings in the presence of other board members and the company secretary shall be confidential and members present shall keep the disclosed information confidential.

7. Action required for management of conflicts of interest

7.1 Conflicts of interest of board members

Once the conflict of interest has been appropriately disclosed, the board (excluding the board member disclosing and any other conflicted board member) may authorize

perfection of the matter concerned provided always that the articles of association so provide for authorization and the decision is taken at a meeting where the quorum is satisfied, without counting the director concerned or other interested director and the matter is agreed upon without that director or other interested director voting on the matter.

7.2 Procedure to manage the conflict

All board decisions shall be made by independent or "disinterested" directors, by those directors who do not have a conflict of interest in that the matter concerned. By "independent," we mean directors who are impartial and free of material interests or relationships (beyond their membership in the company itself).

The following steps should thus be followed if an issue is to be determined by the board and that a member has a potential conflict of interest.

The said member has a responsibility to;

- i) Identify the potential conflict of interest.
- ii) Not participate in the discussion of the motion or debate being considered.
- iii) Recuse oneself from voting.

It is the responsibility of the board to:

- i) Only contract with the connected entity of the board member disclosing the interest if satisfied that the entity is willing and capable of providing the goods or services required at a competitive price.
- ii) Record in the minutes the potential for a conflict of interest and the use of procedures and criteria of this policy. This should indicate such a disclosure, abstention and rationale for such an approval.
- iii) Not proceed with the debate and decision if more directors declare a conflict of interest in an issue to an extent that the board loses a quorum as that decision would lack a legal standing.
- iv) Any payments to be made to the connected entity of the board member disclosing the interest shall be reasonable, fair and within the market rates.

In exceptional circumstances, such as where a conflict is very significant or likely to prevent a board member from regularly participating in discussions, it may be worth the board considering whether it is appropriate for the person conflicted to resign from the board.

7.3 What should be considered when deciding what action to take?

In deciding what approach to take, the board will consider;

7.3.1 Whether the conflict needs to be avoided or simply declared.

- 7.3.2 Whether the conflict will realistically impair the disclosing person's capacity to impartially participate in and perform board functions.
- 7.3.3 Participate in decision-making.
- 7.3.4 Alternative options to avoid the conflict.
- 7.3.5 The company's objectives and resources, and
- 7.3.6 The possibility of creating an appearance of improper conduct that might impair confidence in, or the reputation of the company.
- 7.3.7 All provisions regarding conflict of interest as prescribed under the company's articles of association as read together with the Companies Act, 2015.

The approval of any action requires the agreement of at least a majority of the board (excluding any conflicted board member/s) who are present and voting at the meeting. The action and result of the voting will be recorded in the minutes of the meeting and in the register of interests.

8. Compliance with this policy

If the board has a reason to believe that a person subject to this policy has failed to comply with this policy, it will investigate the circumstances.

If it is found that the person has failed to disclose a conflict of interest, the board may take action against him/her. This may include seeking to terminate their relationship with the company or any other relevant sanctions that are proportionate to the seriousness of the breach.

If a person suspects that a board member has failed to disclose a conflict of interest, the chairman of the board shall discuss the matter with the member in question and notify the board and company secretary to update the register of conflict of interests.

8.1 Non-conformance to conflict of interest policy

While conflicts may not pose as harmful to the organization, failure to manage them may lead to the following;

8.1.1 Reputational risk

Operating without a sound conflict of interest policy in place could be injurious to the company's brand image leading to reputational risk.

8.1.2 Exposure to losses

Lack of adherence to the conflict of interest policy could expose the company to losses in the form of suits and damages from aggrieved parties as well as decisions being made that are not in the best interest to the company e.g. purchasing commodities at exorbitant prices instead of to the lowest bidder.

8.1.3 Waste of resources

This can take the form of decisions being reversed or undone because of non-conformance leading to a waste of resources in organizing fresh board meetings as well as time wasted in court proceedings.

A copy of this policy together with the acknowledgment and disclosure form annually for signing. All the completed forms shall then be submitted to the company secretary for update of the register of conflict of interest and safe custody.

9. Review of this Policy


This policy shall be reviewed by the nominations and remuneration committee and updated every three (3) years or as and when required to ensure that it is in line with all legal and regulatory requirements that may arise from time to time.

APPROVAL AND EFFECTIVE DATE

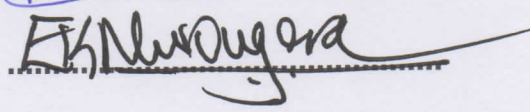
MANAGING DIRECTOR:


.....

**CHAIRPERSON;
NOMINATIONS AND REMUNERATION COMMITTEE:**


.....

BOARD CHAIRMAN:


.....

DATE:

.....

DISCLOSURE OF INTEREST

To:

The Chairman
Sameer Africa Plc,
Nairobi.

- (a) **THAT** I have a direct/indirect interest in a transaction/arrangement entered into or proposed to be entered into between the company and _____

- (b) **THAT** the nature of the interest is that I am a director/employee _____ of _____ or I am (or a relative of mine is) affiliated or involved or receive(s) remuneration or income from, an entity with which Sameer Africa PLC has business dealings.

- (c) **THAT** the nature of transaction is in relation to _____ and the value of the transaction/arrangement entered into or proposed to be entered into is Kshs _____

Date: _____ Signature: _____

Name: _____

Notes

Include aspects or matters such as (but is not limited) to: serving as a director, officer, trustee, partner, employee, or agent of an organization which contracts (or whose parent or subsidiary contracts) to provide goods or services to Sameer Africa Plc; being a holder of 1% or more of the voting power of such a corporation, parent or subsidiary; acting as a consultant to an entity which either direct or indirect relationship or business affiliation with an individual or entity which has business dealings with Sameer Africa Plc or to which Sameer Africa Plc provides goods and services or other material benefits.