



SAMEER AFRICA PLC

POLICY ON CONFLICT OF INTEREST

Adopted on .../.../...

Revised 16.04.2025

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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 of this policy is to ensure that the board, board committee's or any other relevant governance structures (collectively referred to as 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 also aims to facilitate effective governance and mitigate the risks associated with non-compliance with best practice.

3. Scope

This policy applies to the board members of the company.

4. Definition of conflict of interest

Conflict of Interest refers to a situation in which a person's personal interest has the potential to interfere with their professional duties or the interests of the company thereby compromising impartiality or objectivity.

4.1 Types of conflict of interest

Conflict of Interest may arise in various forms including but not limited to:

- a) Direct- this arises when a member of the board or an immediate family member stands to gain or lose as a result of an agenda presented to the board for discussion or decision.
- b) Indirect- this arises when the financial gain or loss resulting from a board decision affects a third party with whom a board member has a relationship with whom a board member has a relationship with but who is not directly linked to the 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 an individual may make decisions influenced by personal interests rather than in the best interest of the company. As such they must be identified and managed appropriately.

Conflict of interest may also include conflict between personal interest and professional duties as well as conflict between competing duties.

5. Policy statement

This policy has been developed to guide the board in identifying, managing and mitigating the risks associated with conflicts of interest. It is both the policy of the company and the responsibility of the board to avoid ethical, legal, financial or other conflicts of interest.

Where such conflicts do arise, they must be promptly disclosed so as to uphold the fiduciary duties to the company.

A director's duty to avoid conflict of interest is not considered breached if:

- a) The situation cannot reasonably be regarded as likely to give rise to a conflict; or
- b) The matter has been properly disclosed and authorized by the board in accordance to Clauses 1.106 and 1.107 of the Company's 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 actual, potential, perceived or any other conflict of interest.
- (c) Carefully manage any conflicts of interest, and
- (d) Comply with 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, perceived or any other 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 interest 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 a conflict of interest has been properly disclosed, the board (excluding the conflicted board member(s)) may authorize perfection of the matter provided that such authorization is permitted under the Articles of Association.

The decision must be made at a duly convened meeting where the quorum is met, excluding the conflicted director(s) for the purposes of quorum and voting. The conflicted director(s) must not vote on or be present during the deliberation, of the matter.

7.2 Procedure to manage the conflict

All board decisions relating to matters involving a potential or actual conflict of interest shall be made by independent or "disinterested" directors, that do not have a conflict of interest in the matter under consideration.

For the purposes of this Policy independent "refers to directors who are impartial and free from any material interests other than their role as members of the board.

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 to 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 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 lacks 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 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 this conflict of interest policy may expose the company to legal and financial risks, including law suits, claims for damages by aggrieved parties or decisions

that are not in the company's best interests for example purchasing goods at exorbitant prices instead of awarding contracts to the lowest qualified 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.

9. Disclosure of Interest form

A copy of this policy together with the disclosure of interest form shall be completed, signed and submitted to the Company Secretary whenever a conflict of interest arises. All completed forms shall then be used to update the register of conflict of interest and will be kept in safe custody.

10. Review of this Policy

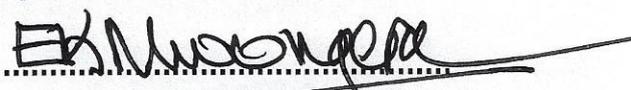
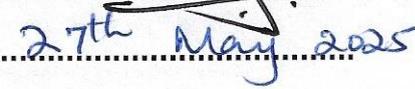
This policy shall be reviewed by the Audit, Risk and Corporate Governance Committee and updated every three (3) years or as and when required to ensure that it is in line with all legal and regulatory requirements that may arise from time to time.

APPROVAL AND EFFECTIVE DATE

**CHAIRPERSON;
AUDIT RISK AND CORPORATE
GOVERNANCE COMMITTEE:**

BOARD CHAIRMAN:

DATE:


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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.