



SAMEER AFRICA PLC

Procurement Policy and Procedures

Adopted on 13th July, 2021

FOREWORD

The Procurement Policy covers all policies and procedures guiding the acquisition of goods and services by Sameer Africa PLC. The policy statements contained in this document reflect the basic intentions of the Company and provide a reference for the processes and methods used by the Company to procure goods and services.

The evolving environment in which the Company operates creates the need to continuously strengthen procurement policies and procedures as new ways to carry out the procurement process evolve. Hence these policies are subject to change from time to time as dictated by circumstances and as approved by management.

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CHAPTER 1: INTRODUCTION

1.0 Purpose

These policies and procedures outline the manner in which the Company expects its procurement transactions to be handled in the normal course of business. They provide a framework for the procurement of goods, works and services.

1.1 Objectives

- 1.1.1 These policies and procedures reflect the need for economy, efficiency, fairness, and transparency in the procurement process.
- 1.1.2 The primary intent is to incorporate best practices, simplify processes and enhance flexibility in the procurement of goods, works and services for the Company.
- 1.1.3 These policies and procedures reduce uncertainty by providing information on the work to be done and by defining who is responsible so that all concerned are clear on their roles.
- 1.1.4 Open competitive procurement will remain the pillar of the Company's policies on procurement of goods, works, and services.

1.2 Scope

Procurement includes the processes of sourcing, supplier selection and evaluation, contract negotiation, ordering of goods and services and disposal of assets as approved by management. These policies and procedures apply to all procurement transactions by the Company and its subsidiaries and covers:

Goods: The physical materials from suppliers that are purchased by the Company, either directly or on behalf of the Company;

Works: The procurement of labour and subcontractors that work on site;

Services: The procurement of professional skills and expertise including but not limited to transport, clearing and forwarding, site security, cleaning, catering, consultancy and information and communication systems.

1.3 Responsibility

- 1.3.1 This policy shall be administered by the Head of Operations, who shall be the departmental head or other individual authorized in writing by management to act in that position. The Head of Operations shall be responsible for developing operational procedures to implement this policy. The Head of Operations is responsible to the Managing Director.
- 1.3.2 Only authorized procurement personnel may commit the Company to a purchasing liability except where individuals are authorized to purchase items of low monetary value by cash.
- 1.3.3 Contracts and agreements that commit the Company to a purchasing liability may only be signed by authorized Company management in line with their authority limits.
- 1.3.4 Procurement as a service department has a duty to assist other departments in procuring their needs at the most advantageous price.
- 1.3.5 It is the responsibility of procurement to negotiate pricing and terms of contract to the best interest of the Company and to issue purchase orders.
- 1.3.6 Procurement is not responsible for determining either the quality or quantity of items to be procured except in an advisory capacity.
- 1.3.7 Procurement, working with finance and user departments where necessary, will be responsible for identification and selection of suppliers.
- 1.3.8 Procurement will maintain all physical and virtual documentation supporting purchase transactions. Where a document is generated and approved electronically, then this electronic document will be maintained as the document of record.
- 1.3.9 The purchasing process does not prevent any individual from contacting sources of supply for preliminary information concerning price, quality, or use of an item in which the individual is interested. Procurement will cooperate in such cases and suggest names of relevant suppliers upon request.

1.4 Sources of Supply and Competition

Sources of supply will be selected on a competitive basis to the extent possible and consistent with the objectives of the Company. Competition among suppliers capable of meeting the requirements will ensure that the Company's overall needs are satisfied at the lowest overall cost in terms of price, quality, availability and all other relevant factors. Accordingly, for purchased goods and services, open competition is a basic procurement objective of the Company.

Where low monetary value and /or standard goods and services are available from qualified suppliers at prices which are known to be reasonable, costly processes for obtaining competitive bids could be counterproductive to the attainment of the lowest overall cost objective. Accordingly, sound business judgment by buyers and users is necessary to determine those situations for which competition would be advantageous. Procurement, user departments and approvers share the responsibility for ensuring that the basic procurement objective is met.

CHAPTER 2: THE PURCHASING PROCESS

2.0 General

The Company shall ensure that purchased items conform to specified requirements.

2.1 Purchase Requisition (PR)

The PR is raised electronically in SAP by the user and approved through a workflow by the relevant approver(s) according to set authority limits. The user indicates on the PR the item, quantity and specifications required. Procurement can only commit the Company against an approved PR. An authorized member of staff with the appropriate SAP transaction code can create a PR.

2.2 Purchase Order (PO)

The PO is created electronically in SAP by the buyer and approved through a workflow by the relevant approver(s) according to set authority limits. The PO bears the supplier details, item, specifications, quantity, the agreed price and the payment terms. All purchasing transactions performed through Procurement are supported by an approved PO or a contract.

2.3 Procurement Methods

Table 2.1: Purchase Values in Kenya Shillings

KSh Value/ Item	Petty Cash	Request for Quotation (RFQ)	Tender	Expression of Interest
<= 5,000	√	√		
<= 250,000		√		
> 250,000			√	
Specialized Arrangements		√	√	
Unique Services		√	√	√

2.3.1 Purchase values up to KSh 5,000

The authority to determine the extent of competition required and the fairness of prices of such transactions will be delegated to specific individual employees of the Company. Such employees are expected to use their professional experience and personal knowledge of the items being purchased to ensure spend decisions which are the most advantageous to the Company. The departmental managers concerned shall be responsible for approving petty cash and ensuring the proper use of such accounts. Items of low monetary value that may require cash payment include parking fees, car wash, non-standard stationery, key cutting and rubber stamps, among others.

2.3.2 Purchase Requisition for up to KSh 250,000

Competition among several approved sources is required. The buyer will solicit offers as equitably as possible from among approved sources using the Request for Quotation (RFQ) and obtain at least three written quotations to support the purchase. Explanation and price justification is required if other than the lowest bidder is selected.

Competition is not required if prices from the source suggested or selected are known to be reasonable.

Prices may be estimated or obtained from the source suggested either by telephone or from a catalog or published price list. Written confirmation of price is recommended for non-standard items to avoid misunderstanding.

In suggesting or selecting sources, buyers should distribute such business as equitably as possible among approved sources.

2.3.3 Purchase Requisition exceeding KSh 250,000

Competition among several approved sources shall be required. The method of obtaining offers from several supply sources varies, depending on the complexity and value of the purchase, from enquiries and Request for Quotation (RFQ) at one end to Tendering at the other.

2.3.4 Expression of Interest (EOI)

When the information required is specific but the Company is not sure of the capability of suppliers to provide the required goods or services, the company can use an EOI to shortlist potential suppliers before seeking detailed bids from them through an invitation to tender.

2.3.5 Tendering

Tendering is appropriate for high value high risk purchases and where transparency is required. The Company recommends tendering where the purchase value is estimated to be KSh 250,000 or more. In tendering, the buyer will send out invitation to tender (ITT) to approved sources. The ITT should, among others, have clear specifications of what is required, closing date and time, contact name, email and telephone number.

Variations may arise during the tendering process and Procurement should ensure that all participating suppliers receive exactly the same information at the same time, as far as is possible.

a. Composition of tender committee

The Tender Committee is constituted by the Head of Operations and will normally consist of a representative each from procurement, finance, property. The representatives of procurement, finance and property will sit in the Tender Committee meetings under the chairmanship of Head of Operations, on behalf of the Managing Director

b. Terms of Reference of the Tender Committee

- i. To open and record all tenders received by the due date. Tenders properly received must be stamped "Opened" and signed on every page containing price(s) or financial information by all Tender Committee members.
- ii. To verify tender evaluations and to award tenders to the most qualified evaluated tenderer. Tender "award" must be appropriately stamped and signed by all tender committee members.
- iii. To ensure that the tender process is proper and serves the interests of the Company
- iv. To resolve issues related to tenders and the tender process.

c. Tender Evaluation

Generally, a separate panel nominated by the Head of Operations will evaluate the tenders. Care must be taken by all involved to maintain confidentiality from the time the tenders are open to the time of final award.

The selection criteria should be incorporated in the ITT to enable suppliers to participate effectively. Tender award should generally be to the lowest evaluated tender. Evaluation should not be a purely mechanical process and cost should be assessed against other criteria such as quality and timeliness.

It is the responsibility of the Head of Operations to determine the need for post tender negotiation with the winning supplier after the tender award to secure the best advantage for the Company. Such negotiation can be on terms and conditions, warranties, or price.

Explanation and price justification is required if other than the lowest bidder is selected.

d. Contract Award

Once the decision has been made as to the successful supplier, the contract should be negotiated, communicated, finalized and signed in consultation with the legal department. Two copies of the contract should be produced and signed before sending to the supplier with a request to sign both, retain one and return the other copy.

It is good practice to advise the unsuccessful suppliers in writing that they have not been awarded the contract on this occasion.

2.3.6 Repeat order

In cases where an urgent procurement process is required and the previous supplier is willing to maintain the previous terms and condition, the procurement team will be expected to issue another purchase order under similar terms. However, the validity of the repeat order shall be within the last six months, otherwise procurement officer will be required to verify with the prevailing market situation before issuing a repeat order.

2.4 Purchasing Authority

2.4.1 Objectives

- i. Provide a framework in which individuals can confidently make day to day decisions at the appropriate level in an efficient and transparent manner.
- ii. Ensure that all purchasing decisions are approved by individuals with the appropriate experience, expertise and awareness as to the risks associated with the decision.
- iii. Ensure a continuous chain of authority throughout the Company through the exercise of delegated authority.

2.4.2 General principles

The Managing Director (MD) has authority to commit resources to deliver the approved business plan subject to the authority of the Board of Directors and may delegate his authority to his direct reports and to their subordinates.

Table 2.2: Purchase Requisition Authority Limits in Kenya Shillings

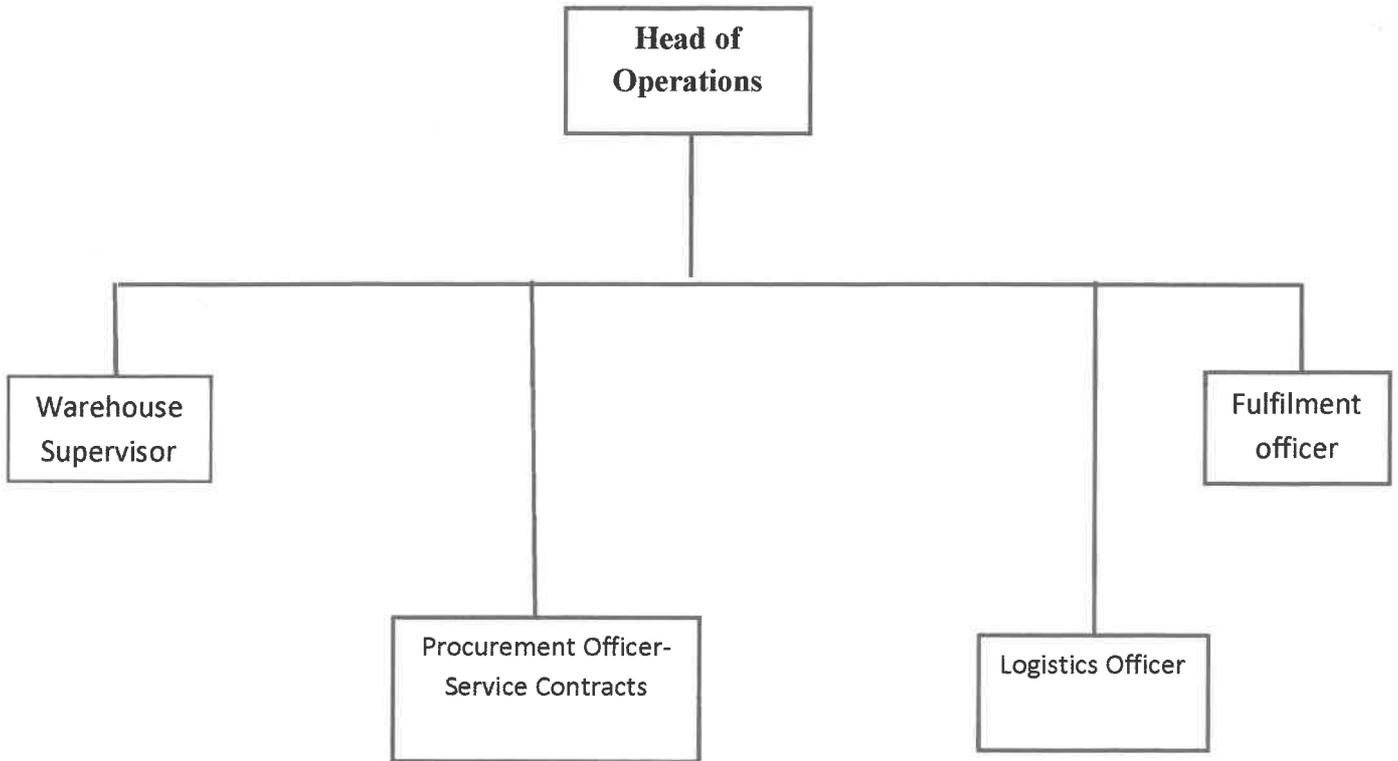
	Purchase Value (KSh)	Department Manager	Head user Department	GM Finance	Managing Director
Purchase Requisition (PR)	≤50,000	√			
	≤100,000	√	√		
	>100,000	√	√	√	√

Purchase Requisitions for tyre as well as stocked consumable items including fuels and stationery need not go through the approval process. Purchase Requisitions for such items will be raised by the user department and together with the justification for replenishment, will go direct to procurement for execution.

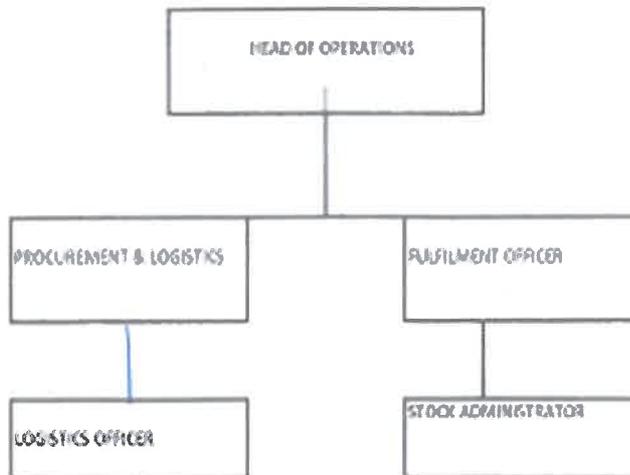
Table 2.3: Purchase Order Authority Limits in Kenya Shillings

	Purchase Value (KSh)	Head of Operations	GM Finance	Managing Director
Purchase Order (PO)	≤2000,000	√	√	√
	>2,000,000	√	√	√

Figure 2.1: Procurement Organization



PROCUREMENT AND LOGISTICS



CHAPTER 3: CODE OF ETHICS

3.1 Overview

Individuals involved in the procurement function constantly operate under pressure from conflicting sources due to the fact that they are in a position to provide or withhold substantial business from suppliers who serve the Company. These individuals must therefore have a highly developed sense of professional ethics to resist these pressures in order to serve the Company in an honorable way.

This code of conduct aims to define behaviors and actions which individuals involved in the acquisition of goods and services must maintain as long as they are employees of the Company.

To strengthen ethical awareness, the Company has established a Code of Ethics shown below to be observed by all personnel who are involved in the acquisition process, be they in procurement or not.

- i. Give first consideration to the objectives and policies of the Company.
- ii. Strive to optimize the responsible use of resources for the benefit of the Company.
- iii. Decline inducements, personal gifts or gratuities, other than those declared gifts of nominal value which have been sanctioned by the Company.
- iv. **Not to be influenced in making business decisions, by offers of hospitality or those with vested interests**
- v. Grant all suppliers genuine, fair and transparent competition to the extent permitted by policy.
- vi. Conduct business with potential and current suppliers in an atmosphere of good faith and professionalism, devoid of intentional misrepresentation.
- vii. Demand honesty in sales representation whether offered through the medium of a verbal or written statement, an advertisement, or a sample of the product.
- viii. Take action to report business relationships where unethical practices may be evident and remedy them.
- ix. Make every reasonable effort to negotiate an equitable and mutually agreeable settlement of any controversy with a supplier; and/or be willing to submit any major controversies to arbitration or other third party review, insofar as the established policies of the Company permit.
- x. Accord a prompt and courteous reception insofar as conditions permit to all who call on legitimate business missions.
- xi. Cooperate with trade, industrial and professional associations and with governmental and private agencies for the purposes of promoting and developing sound business methods.

3.2 Policy on Gifts and Gratuities

In the course of doing business, it is normal to develop close relationships with suppliers. This may lead to expressions of friendship or appreciation in the form of personal gifts or gratuities from suppliers.

3.2.1 Purpose

The purpose of this policy is to ensure that employees are aware of what is appropriate behaviour with respect to the acceptance of gifts, benefits and gratuities.

3.2.2 Policy

It is the Company's objective to award business to suppliers based on considerations such as quality, service, competitive pricing and technical abilities. Acceptance of personal gifts or gratuities from suppliers that could be construed as a means of inducing business with the Company is totally inconsistent with this objective.

Company policy prohibits Company employees from accepting personal gifts, benefits or gratuities of any kind from suppliers. This includes the use of property or facilities, gift vouchers, entertainment, or other favours of value extended to employees or their families.

An employee may accept **unsolicited** gifts from a supplier provided that these:

- i. Are branded promotional materials with a wide distribution such as calendars, t-shirts and diaries. However, these or other gifts should never be accepted in return for a business favour.
- ii. Have a monetary value of not more than KSh 5,000.
- iii. Are moderate in terms of frequency and quantity.
- iv. Acceptance of such gifts does not violate any applicable law.

Gifts of cash or monetary gifts of any kind or amount may not be accepted by employees.

3.3 Conflict of Interest

For purposes of this policy, a "conflict of interest" is any situation where an employee has interests in any activity which could conflict with the Company's interests. If an employee involved in procurement has any direct or indirect conflict of interest, this must be declared so that action can be taken to remove or manage the conflict to the Company's satisfaction.

Employees conducting business on behalf of the Company have a responsibility to do so in a manner that is objective and ethical. The goal of all such business dealings must be to benefit the Company. The following rules apply:

- Company employees will conduct Company business ethically and objectively, in compliance with all applicable laws, regulations and Company policies, including the Company's Code of Conduct.
- Employees must not accept gifts, entertainment, meals or travel that might directly or indirectly influence the employees' business judgments or decisions, or that might give the appearance of impropriety.
- The purchase of goods or services from a business in which an employee or his family has a financial interest, or may directly benefit from such purchase, is a potential conflict of interest. Such situations should be disclosed to the Company's management for review prior to any transaction.
- Employees may not accept any item from any supplier attempting to "reward" the employees for the decision to do business with the supplier. Any acceptance of such items will result in termination of the employees' employment (and possible legal action); and in the termination of the business relationship with the supplier.

Note: Suppliers will be expected to sign SAL's Supplier Code of Conduct (Appendix 1)

CHAPTER 4: SUPPLIER PRE-QUALIFICATION POLICY

4.1 Overview

Pre-qualification facilitates supplier assessment against set criteria such as financial status, capacity, quality procedures and track record to determine their suitability to supply specified goods and services.

4.2 Objective

To ensure that the Company has capable and competent suppliers in its database who have been objectively and successfully assessed.

4.3 Procedure

- i. Procurement will identify and categorize the type of goods/services required by the Company to conduct its business.
- ii. Procurement will publicly advertise, whenever appropriate, for interested suppliers to submit their interest to be considered for pre-qualification.
- iii. **Prospective suppliers in East Africa will complete Pre-qualification Questionnaire (Form 718/FM/030, Appendix 2).**
- iv. The completed Prequalification Questionnaire will be submitted as per procurement advice.
- v. **Assessment, by procurement and user departments, for pre-qualification will be based on information disclosed in the completed Pre-qualification Questionnaire.**
- vi. The following factors will be considered in determining a qualifying supplier:
 - a. Ability to honour commitments within the stipulated time
 - b. Quality of performance of previous contracts with the Company or with others
 - c. **Adequacy of financial resources**
 - d. Quality, availability and flexibility
- vii. Procurement will notify prospective vendors in writing as to the status of their application once the pre-qualification process is complete.
- viii. Procurement will arrange, where necessary, for a purposeful visit to prospective **suppliers' sites by a cross-functional team including finance and the user department.** This is to verify the location and facilities of the supplier.
- ix. Pre-qualified suppliers will be entered in the Company's list of approved suppliers and be given the opportunity to bid.
- x. **A completed and approved Form 718/FM/023 (Appendix 3) will support the creation of new suppliers in SAP system.**

CHAPTER 5: SUPPLIER PERFORMANCE POLICY

5.1 Overview

Supplier performance measurement is a fundamental part of effective supplier contract management and supplier development. It involves gathering and analyzing supplier performance data that is essential for target setting and monitoring improvement.

It will be important to hold regular two-way review meetings (to the extent practical) where both parties agree joint objectives and jointly measure performance against these objectives, rather than the Company simply monitoring the supplier's performance. Procurement will be responsible for coordinating and compiling supplier performance data with input from user departments regarding their specific areas.

5.2 Objectives

Evaluating supplier performance enables the Company to measure the capabilities and the capacities of suppliers to respond to business needs. The resultant information can also be used as a means for effective supplier development and for further improvement of business relationships.

Data collected will be used for problem solving and the development of corrective actions. It will also be used to identify the root causes of the problems and to come up with the most effective ways to resolve the issue.

5.3 Scope

The performance of key suppliers and service providers shall be evaluated at least once a year in line with procedure WI-718-007 (Appendix 4) and Form 718/FM/002 (Appendix 5).

5.4 Methodology

The Company will establish a baseline for supplier performance measurement.

One way to collect information on performance is by individual interview against a defined set of questions. This can be face-to-face or on phone but needs to be interactive. The supplier's experience of working with the Company should be considered in the evaluation, in case they are facing certain obstacles.

CHAPTER 6: DISPOSAL

6.1 Policy

- 6.1.1 It is Company policy to ensure adherence to best practice in the disposal of its assets.
- 6.1.2 The Company is responsible for ensuring that all Company assets are used in the most effective and efficient manner. When such assets are no longer required, the Company will arrange to dispose of them in a fair and transparent manner so as to maximize any possible remaining value of the asset.

6.2 Objective

- 6.2.1 To provide a systematic, transparent and accountable method of monitoring and controlling the disposal of Company assets.
- 6.2.2 To ensure value for money in the disposal of Company assets and to maximize the residual value from such disposal, to the extent possible.

Disposal of an asset may be necessitated by either the asset becoming redundant, obsolete or uneconomical, replaced by an upgrade, unserviceable or beyond economic repair, damaged, stolen or missing, or surplus to requirements.

6.3 Scope

Assets are the property of the Company and it is therefore essential that the act of disposing any asset be in accordance with the Company's policy and procedures.

This procedure applies to all plant, equipment, furniture and fittings, motor vehicles as well as waste and defects generated.

6.4 Authority and Responsibility

The Managing Director has overall responsibility for the custody, safekeeping, utilization, access to, and disposal of Company assets. Generally, these functions are delegated with responsibility for assets being vested in relevant heads of departments and budget holders, who act as custodians, on behalf of the Company.

Heads of departments and budget holders are responsible for adherence to this policy in the disposal of all assets registered to or located in their section. They must also ensure compliance with any other related relevant legislation.

Heads of departments and budget holders are responsible for notifying the Head of Operations of all assets in their areas for which they have obtained appropriate authority to dispose of.

6.5 Procedures

6.5.1 Methods of Disposal

The main methods of disposal of assets are:

- a. outright sale
- b. scrap - to a licensed/authorized dealer
- c. recycle - to an authorized agency
- d. auction by a contracted auctioneer

In all cases, the method used should be both transparent and likely to achieve a fair market price.

6.5.2 Professional Valuation

A written professional valuation is necessary in cases of disposal of motor vehicles. The Company recognizes that such professional valuation may be used only as a guide and that the final selling price will be determined by the market through competitive tendering.

Subject to the Managing Director's approval, the Head of Operations will determine whether to invite tenders publicly or internally.

6.6 Disposal of Company Waste

6.6.1 Purpose

- i. To set the procedure for handling and documenting waste disposal
- ii. To outline the procedure for disposal of waste
- iii. To assign responsibility for managing waste

6.6.2 Scope

These include: residual raw materials, machinery, claim tires and waste papers.

6.7 Disposal of Assets

6.7.1 Asset Disposal Authorization

The disposal of an asset must be approved by the Managing Director. The section head or budget owner initiates the disposal by raising a Proposal for Disposal of Asset Form 718/FM/29 (Appendix 6) which is verified by the assets manager (management account) even where the asset has nil book value. The assets manager can provide further information regarding the asset such as the purchase price, date of purchase, net book value (NBV), and asset number for the asset being proposed for disposal.

The Proposal for Disposal of Asset Form shall be authorized by the Department Head, the Head of Operations, and the Managing Director.

7.0 REVIEW OF THIS POLICY

This policy shall be reviewed every two (2) years by the finance, strategy and investments governance committee to assess whether the objectives are being achieved and to amend wherever applicable in order to keep it up to date with the changes in the business environment as well in the company.

APPENDICES

Appendix 1: Supplier Code of Conduct

This code is applicable to suppliers of Sameer Africa PLC (SAL) and their employees and subcontractors. This code sets out the standards that SAL desires to see achieved by its suppliers over time. This code will be updated from time to time depending on prevailing circumstances. The implementation of this code may include joint audits and site visits to assess and continuously review performance and compliance status.

1. Purpose

This code sets forth the guidelines our suppliers should observe and adhere to in doing business with SAL.

2. Communication and awareness

Suppliers are encouraged to take all reasonable endeavors to promote the code to their employees, suppliers and subcontractors. In addition, SAL and its suppliers will ensure that all relevant people are provided with appropriate guidance to support the code.

3. Application

- Suppliers applying the code are expected to comply with the relevant laws, regulations and standards in Kenya and applicable international laws.
- The code is applied for the purposes of promoting safe and fair working conditions and management of the environment and social issues in SAL's supply chain.
- SAL will work jointly with its suppliers in the implementation of the code, which may include audits and site visits to assess performance against the code.
- Suppliers will be requested to provide SAL with reasonable access to all relevant information and premises for the purposes of assessing performance against the code.

4. Corrective action

- Suppliers are expected to identify, correct and monitor the continued compliance of any activities that fall below the standard code.
- Suppliers shall immediately report to SAL any serious breaches of the code and together agree on a schedule for corrective action.
- Any violations of the code that indicate fraudulent, corrupt or illegal activity on the part of suppliers will result in the termination of their contract(s) with SAL.
- Where serious breaches of the code are identified and persist, SAL will consider termination of the business relationship with the supplier concerned.

5. Monitoring and reporting

- SAL will use a risk based approach to monitor implementation of and adherence to the code and will report the progress in the appropriate forum.
- SAL and its suppliers will use reasonable endeavours to provide employees and other stakeholders with a confidential means to report any actual or potential breach of the code.

6. Relations with competitors

- Suppliers will be required to comply with applicable antitrust or competition laws and will not engage in any restrictive trade practices as defined in the Competition Act 2010 of the Laws of Kenya).
- Suppliers will at all times act in a manner that will uphold and encourage healthy competition.

7. Bribes, conflict of interest, gifts and other courtesies

7.1. Bribes

Suppliers shall not make or offer bribes or payments of money or anything of value to any SAL employee or any other third party for the purpose of obtaining or retaining business with SAL. As for SAL an act of bribery includes the giving of money or anything of value where there is belief that it will be passed on to a third party or SAL employee for this purpose. Suppliers are required to comply with all applicable local anti-bribery and anti-corruption laws.

7.2. Conflict of interest

No supplier shall enter into a financial or any other relationship with a SAL employee that creates a conflict of interest for SAL. A conflict of interest arises when a SAL employee's own personal (financial, social, political or other) interest or other activity or relationship interferes or has the potential to interfere with the interest of SAL and the employment responsibilities. This is the case when an employee's own interest, relationship or circumstance is likely to influence or could appear to influence a business decision. Suppliers have an obligation to report any conflict of interest to the SAL Managing Director for approval of the transaction.

7.3. Gifts and other business courtesies

Suppliers shall ensure that any expenditure incurred in relation to any particular SAL employee is in the ordinary and proper course of business and cannot reasonably be constructed as a bribe so as to secure unfair preferential treatment. A general guideline for evaluating whether a business courtesy is appropriate is when public disclosure would be embarrassing to the supplier and SAL.

A supplier may give unsolicited gifts to SAL employees provided that:

- i) The gifts are small, occasional, customary and usual e.g. advertising and promotional materials have a wide distribution such as calendars, t-shirts.
- ii) The gifts have a monetary value of not more than Kshs 5,000.
- iii) The gifts are moderate in terms of frequency and quantity.
- iv) Acceptance of the gift does not violate any applicable law.

Gifts should never be given in cash or cash equivalents.

8. Employment relations

The supplier will comply with all Kenyan laws relating to labour, employee health, safety and wages.

8.1. Child labour

SAL suppliers and their sub-contractors will not hire children; a child being any person below the age of 18 years, unless as provided for under Kenyan laws.

8.2. Forced labour, disciplinary practices and elimination of discrimination

Suppliers will:

- Not use forced labour nor require any worker whether local or foreign to remain in employment for any period of time against his or her will
- Treat workers with respect and dignity and ensure workers are not subjected to any form of physical, sexual, psychological or other form of harassment or abuse.
- Ensure that workers are free to express their views about their workplace conditions without fear of retribution or losing their jobs
- Not negatively discriminate against any employees, for example, discrimination based on race, tribe, colour, gender, marital status, pregnancy and any other characteristic protected by Kenyan law.

8.3. Freedom of association

Suppliers will allow and respect their employees' right to form or join trade unions of their own choice to bargain collectively.

8.4. Wages and benefits

- Suppliers will meet minimum wage requirements and will ensure that all statutory deductions as required under any Kenyan laws from time to time are complied with.

- Suppliers will ensure that working hours as provided for in any employment legislation or regulation in force from time to time or in any collective bargaining agreement entered into with the employees' trade union are observed.
- Suppliers will also ensure that workers are provided at least one day off during seven day working period.

8.5. Health and safety

Suppliers will provide their workers with a safe and healthy work environment; clothing and other protective gear in compliance with any Kenya health and safety laws and regulations.

9. Environmental matters and the community

Suppliers will comply with all Kenya environmental laws in force from time to time. SAL encourages its suppliers to play a role in improving the environment, comply with applicable environmental, health and safety standards and seek ways to use and produce products that are environmentally friendly. In addition, suppliers are encouraged to engage with communities and invest in society in a way that makes effective use of resources including the support for charitable organizations.

10. Compliance and implementation

10.1. Licences and returns

The supplier will be required to obtain and renew, in accordance with any law or regulation all permits, licences and authorizations required for it to carry out its business. In addition, the supplier will be required to prepare and file any returns that shall be required under the law.

10.2. Taxation, financial integrity and retention of records

The supplier will comply with all revenue laws and will not evade tax. Suppliers will be required to maintain accurate and reliable financial and business records and shall not have any false or inaccurate accounting books or records relating to SAL for any reason. Suppliers shall maintain all business records in compliance with the law and regulations applicable. When any government investigation or audit is pending or ongoing then suppliers will not destroy any relevant records until the matter has been investigated and closed.

10.3. Duty to report

It is the duty of any suppliers, contractors and employees to report dishonesty, corruption, fraud, labour and human rights concerns, environmental damage or any other unethical behavior. All pertinent details should be reported in confidence to the Managing Director of SAP.

Contact	Details
Report to the Managing Director of SAL	Managing Director Sameer Africa PLC Enterprise Rd / Mombasa Rd Junction, P.O. Box 30429 – 00100 Nairobi, Kenya Phone No: +254 (20) 3962112 Mobile No. 254 722204674/5 or 733611138/9 Email: peter.gitonga@sameerafrica.com

I/We _____ have read, understood and accept this code of conduct accordingly.

Signed _____ **Date** _____

Position in the Company _____ **Stamp** _____

Appendix 2: Supplier Pre-qualification Questionnaire



SUPPLIER PRE-QUALIFICATION QUESTIONNAIRE

SAMEER AFRICA PLC
ENTERPRISE/MOMBASA ROAD JUNCTION
P.O. BOX 30429 – 00100
NAIROBI

The information in this pre-qualification questionnaire is strictly confidential and is solely for the use of Sameer Africa PLC

Date XXX

RE: SUPPLIER PRE-QUALIFICATION

Sameer Africa wishes to update its supplier records and accordingly invites you to complete the attached pre-qualification questionnaire and submit the same in a sealed envelope addressed to:

The Managing Director
Sameer Africa PLC
P.O. Box 30429 – 00100
Nairobi

The response should be deposited at SAL reception on or before time xxx and Date xxx.

This pre-qualification does not amount to any contractual obligation on the part of SAL, and SAL is not obliged to invite any tenders or quotations from any or all those who have expressed interest by responding to the questionnaire.

SAL reserves the right to verify the information provided without referring to the applicant.

Yours sincerely,
Sameer Africa PLC

Managing Director

SECTION A – COMPANY PROFILE

1. **Registered Name of Business:**
.....
2. **Trading Name if different from 1 above:**.....
3. **LR No/Plot No:**.....
4. **Street/Road:**.....
5. **Postal Address:**
6. **Tel:** **Fax:**
7. **Contact Person:**
- Title:**
- Tel:** **Mobile:** **Email:**.....
8. **Date and place of business registration:**.....(Attach certificate of incorporation)
9. **PIN No:**..... **VAT No:**.....(attach Tax Compliance Certificate)
10. **Length of time in business under present business name:**
11. **Certified copy of audited accounts for the last two years**
12. **Type of business registration:**
 - i. **Sole proprietorship**
 - ii. **Partnership**
 - iii. **Limited Liability**
13. **If a Partnership or Limited Liability and give details of partners or directors as follows:**

	Name	Nationality	Citizenship	% of Shares
1				
2				
3				

14. State your main business activity for which you wish to be considered as a supplier to Sameer Africa PLC

.....

15. Give any other information about your company which you consider relevant to your application.

16. Bankers

	Name of Bank	Branch
1		
2		
3		
4		

SECTION B – ELIGIBILITY

17. Have you or your business been the subject of legal proceedings for insolvency, bankruptcy, receivership, or your business activities suspended for related reasons? If yes please present documentary evidence that you have been cleared and that your business is now solvent.

18. Have you fulfilled your obligation to pay taxes and social security contributions?
.....

19. Are you or your servants or agents subject of legal proceedings for corrupt or unethical business practice or offering any inducement to any procurement entity in order to be considered for tender award? Yes/No.....

SECTION C – CAPACITY TO DELIVER GOODS/SERVICES

20. What product categories/service do you wish to be considered to supply.....

21. How many employees do you have?
Permanent.....Temporary.....

22. State if your company has any quality standard certification such as ISO 9000, ISO 14001.....If yes the provide copy certificate(s).

- 23. Provide details of your key personnel (on a separate sheet of paper) and attach their CVs.
- 24. State if you are a manufacturer/wholesaler/retailer/other.....
- 25. If you are an authorized dealer, please attach manufacturer’s authorization for the items you wish to supply.
- 26. What is the maximum amount of business you can handle at any one given time? KSh.....
- 27. Main corporate clients during the last two years.

	Name of Organization	Value of Business (KSh/Year)	Contact person	Telephone No.
1				
2				
3				
4				

SECTION D – PAST AND CURRENT PERFORMANCE

- 28. Is your company in any way associated with any other firm that is currently conducting business with or has applied to be considered for pre-qualification or any other tender in Sameer Africa PLC? If yes, please provide on a separate sheet of paper company name, address, nature of business, and the relationship with your company.
- 29. Have you at any one time been requested to quote for the supply of goods or services and failed to respond without giving reasons for your action?
.....
- 30. Have you at any one time been issued with a purchase order by Sameer Africa to deliver goods or services and failed to do so without giving reasons for your action?
.....

- 31. Have you at any one time been issued with a letter cancelling a purchase order for failure to supply goods or services within the agreed time or for supplying inferior goods or services not to specification?

DECLARATION

I /we have completed this form(s) accurately at the time of reply and it is agreed that all responses can be substantiated, if requested to do so. Any false information filled herein can be used as grounds for disqualification or termination of the pre-qualification process.

Submitted by:

Title:

Signature

Date

Official stamp.

SECTION E

FOR OFFICIAL USE

a. Date visited:

b. Location of Physical premises:
.....

c. Category of goods
.....

d. Stock of Goods found in premises:
.....
.....

e. Recommendation
.....
.....

f. Vendor Review:

1. Head of Operations
.....

Signature: Date

2) Head of Operations
.....

Signature : Date

3) Technical Specifications – Department Manager:
.....

Signature.....Date.....

Appendix 3: Supplier Installation Form

SAMEER AFRICA LIMITED	
SAP VENDOR INSTALLATION/AMENDMENT FORM	
Vendor Name	_____
Postal Address : P. O. Box	_____ Postal Code _____
Telephone Contact	_____
Fax	_____
Street/Building	_____
Town	_____
Country	_____
Mobile No.	_____
Email	_____
Contact Person	_____
Terms Of Payments	_____
Products/Services offered	_____ _____ _____
Name of Person Introducing the Vendor	_____
Department	_____
Signature	_____ Date _____
Agreed by HOD	
Signature	_____ Date _____
Agreed by	
Procurement Manager	_____ Date _____
Approved:	
GM Operations	_____ GM Finance _____
Date	Date

Appendix 4: Supplier Evaluation Procedure

 <p>sameerafrica SAL Sameer Africa Limited</p>	<p>WORK INSTRUCTIONS</p> <p>Title: SUPPLIERS EVALUATION</p>	<p>Doc No: WI -718 - 007 Revision: 07 Date: 07-11-2017</p>
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Responsibility: Buyer

Purpose: To monitor and improve supplier performance to enhance compliance to our requirements.

Scope: Goods and Services

Records: Supplier evaluation, QPR, Goods receipt

Machine/ Tools:

Procedure:

1. The supplier evaluation data is collected by the buyer.
2. The data is then analyzed and supplier evaluated annually using form 718/FM/034 for services and 718/FM/021 for spares and tooling.
3. Once the ratings are approved by the Head of Supply Chain, the report is sent to the supplier for his review and comments.
4. Any supplier who will not have achieved the minimum aggregate threshold has to write to SAL and give the corrective action they intend to take before the next supply as per process PM 8.8.2.
5. The supplier is then re-evaluated. The supplier will continue to supply if he attains the minimum aggregate as per ref 718/FM/034, otherwise if he fails again he will be disqualified.
6. Any form of non-conformance will be immediately communicated to supplier through quality problem report.(form number 765/FM/053)

NOTE: Service suppliers are evaluated by the user department and feedback given to procurement.

Prepared by:	Approved By:	Issued By:
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Appendix 5: Supplier Rating Form

REVISION NO: 01

ISSUE DATE: 24/10/2017

TEMPLATE NO: 718/FM/034

SERVICE PROVIDERS AND CONTACTORS EVALUATION FORM

SUPPLIER: _____

DATE: _____

NO.	PARAMETER	TARGET RATINGS	ACTUALS		
1	CAPABILITY : MAX 30				
a	Job Knowledge(licences/accreditations)	20			
b	Technical Skills	10			
2	RELIABILITY: MAX 35				
a	Quality of delivery	20			
b	Timely service/delivery	15			
3	FLEXIBILITY: MAX 15				
a	Changes in work schedules	10			
b	Emergency delivery	5			
4	ENVIRONMENTAL : MAX 15				
a	Sensitization to SAL EMS policy	5			
b	Compliance to EMS policy	10			
5	CUSTOMER SERVICE: MAX 5				
a	Responsiveness to Complaints	5			
VQR VALUE		100	0		
RATING		0-60	61-70	71-95	96-100
CLASS		C	B	A	M
JUDGMENT		NOT OK	NI	OK	VERY OK

6 Comments from Procurement

7 Suggest areas for improvements

8 Any other suggestion.

Prepared by

Approved by

Appendix 6: Asset Disposal Form

TEMPLATE NO.718/FM/29

REVISION NO.00

ISSUE DATE. 11/03/2014

SAMEER AFRICA LIMITED:

1 PROPOSAL					
Asset No.	Description	Quantity	Gross Book Value	Depreciation	Net Book Value
			KSh	KSh	KSh
					-
					-
	Total		-	-	-
<p>2 DISPOSAL METHOD: Sale by tender "as is where is" to the highest bidder subject to reserve price at management discretion</p> <p>3 JUSTIFICATION:</p> <p>4 REQUESTED BY: _____ Property Manager Date</p> <p>5 VERIFICATION BY ACCOUNTS</p> <p>a The Items mentioned above have a book value of: KSh -</p> <p>b The amount provided so far is: KSh -</p> <p>c Additional provision: KSh -</p> <p>Verified correct: _____ Accountant Date</p> <p>6 AGREED</p> <p>_____ Date GM Operations</p> <p>7 AGREED</p> <p>_____ Date GM Finance</p> <p>8 APPROVED</p> <p>_____ Date Managing Director</p>					

MANAGING DIRECTOR.....

CHAIRPERSON FINANCE STRATEGY AND INVESTMENTS COMMITTEE.....

BOARD CHAIRMAN.....

DATE.....