



# Code of Conduct and Ethics

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## 1. Preamble

In the current business environment, ethics and integrity have become increasingly important and is considered a significant part of Unga Group Plc ("the Company") culture. Integrity means doing what is right. Our business environment and interaction with our clients and other stakeholders requires a strong sense of trust. Our success is built on a foundation of integrity and depends on trusting relationships. By acting with integrity and striving to maintain trust and credibility with our employees, clients, vendors, partners, shareholders and the community, we will reflect a positive image and reputation for the Company.

In our commitment to excellence, we have to sustain a continued emphasis on ethics and integrity in conducting our business as we strive to be the industry leader in Africa. We all must follow the law, act with integrity and honesty in all matters. We must take responsibility and be accountable for our actions at all times. We should strive to ensure that the people and companies we associate with have the same values that we expect from ourselves.

This Code outlines the broad principles of legal and ethical business conduct embraced by the Company. It is not a complete list of legal or ethical questions you might face in the course of business, and therefore, this Code must be applied using common sense and good judgment. The Code defines how directors should conduct themselves as representatives of the Company.

Each director of the Company is, and will be held, responsible for the adherence of this Code of Conduct.

## **I. Conduct and Responsibilities**

This Code of Conduct to guide the directors in recognizing and addressing ethical issues and in ensuring that their activities are consistent with the Company's values. Directors shall practice the highest ethical standards and standards of honesty, integrity and truthfulness, and comply with all applicable laws, rules and regulations in conducting the Company's business.

The Directors' conduct has significant influence on the conduct and corporate culture of the Company. Directors should at all instances represent appropriate conduct while conducting Company business. Directors are also required to monitor and encourage the management and employees to understand and enforce their responsibilities under the Code and other Company policies and reinforce the importance of good business ethics and compliance.

## **II. Professionalism**

A Director shall:-

- (a) carry out his duties in a way that maintains public confidence in the integrity of his office;
- (b) treats the employees of the organization, his fellow Directors, and the general public with courtesy and respect;
- (c) to the extent appropriate to his office, seek to improve the standards of performance and level of professionalism in the organization;
- (d) if a member of a professional body, observe the ethical and professional requirements of that body;
- (e) maintain an appropriate standard of dress and personal hygiene; and
- (f) discharge any professional responsibilities in a professional manner.

## **III. Compliance with Laws and Regulations**

All directors will be expected to comply with applicable laws or regulations in Kenya and any other country the Company will operate in. Directors will be expected continually monitor the legal and ethical compliance by the Company's management and other employees. The fact that certain laws prohibiting particular conduct may not be enforced in practice or that violation is not subject to public criticism or censure, will not excuse noncompliance with those laws. No director of the Company has authority to violate any law or to direct another employee or any other person to violate any law on behalf of the Company. Any director who violates these laws or regulations not only risks individual indictment, prosecution, penalties, and civil actions but may also subject the Company to the same risks and penalties.

## **IV. Conflict of Interest**

A conflict of interest arises when personal activities and relationships interfere, or appear to interfere, with the ability to act in the best interest of the Company in a fair or impartial manner.

All members of the Board will maintain a high degree of integrity and independent judgment in the conduct of the Company business and will act in the best interest of the Company at all times as they strive to avoid actual or potential conflicts of interest.

Directors will not engage directly or indirectly in any business activity that competes or conflicts with the Company's interest or those of its clients unless fully disclosed to the Company and its affected

clients.

These activities include, although are not necessarily limited to, the following:

**(a) Dealings with Outside Firms**

Business dealings with outside firms should not result in unusual gains for the Company, directors or the outside firm. Unusual gains refer to bribes, product bonuses, special fringe benefits, unusual price breaks, or other windfalls designed to ultimately benefit the Company or a director. Anything that could be interpreted to involve an unusual gain requires disclosure, direction from and approval from the Board of Directors.

**(b) Outside Financial Interest**

Where a Director has a financial interest in a client or vendor, such an interest must be disclosed immediately to the Board of Directors. It is the responsibility of the Director to identify and report the actual or potential conflict of interest. Such disclosure shall also include all relevant and material facts known to such person about the contract or transaction that might reasonably be construed to be adverse to the Company's interest.

Thereafter, the affected Director will not be directly involved in the Company's dealings and will refrain from decisions that affect the dealings with the client or vendor so long as the interest continues to exist. The affected person is also not permitted from using their personal influence or being present during the discussions or deliberations with respect to such dealings.

**(c) Trusteeship**

Directors must not solicit appointments as executors, administrators or trustees of clients' estates. If such an appointment is made and the individual is a beneficiary of the estate, his signing authority for the estate's bank account or accounts must be approved by the Company's Board of Directors, who will not unreasonably withhold such approval.

**(d) Relatives and Friends**

A spouse, parent, sibling, grandparent, child, grandchild, mother or father-in-law are all considered relatives. Even when dealing with family members beyond this definition, you need to ensure that your relationship does not interfere, or appear to interfere, with your ability to act in the best interest of the Company.

You may have friends who are employed with clients, vendors or listed companies or have significant ownership interests in such parties. If you deal with parties where such relationships exist, you need to take care that your relationship does not interfere or appear to interfere with your ability to act in the best interests of the Company

**(e) Gifts, Meals and Entertainment**

Business gifts, meals and entertainment are normally used to build and cement relationships and bring about goodwill between companies. However gifts, meals and entertainment can also create a perception of trying to unethically influence these relationships. This can create a potential conflict of interest and can undermine a Director from acting in the best interests of the Company.

No person associated with the Company shall accept any gift, meal, entertainment, loan, cash, stocks or anything else of value from any organization or individual if it could be reasonably construed or perceived that the gift is motivated by a wish to influence the Company or appear to compromise, your ability to make objective business decisions in the best interest of the Company. Do not accept meals or entertainment in exchange for doing, or promising to do, anything for a client or vendor.

Directors may accept promotional items without significant value and which are distributed routinely.

## **V. Misuse of Position**

Directors must not use the Company's name or facilities for personal advantage in political, investment or retail purchasing transactions, or in similar types of activities. Such persons and their relatives must also not use their connection with the Company to borrow from or become indebted to clients or prospective clients. The use of position to obtain preferential treatment, such as purchasing goods, shares and other securities, is prohibited.

Further, Directors must not use the Company's facilities and influence for speculating in securities, whether acting personally or on behalf of friends or relatives. Such misuse of position may be ground for dismissal and prosecution.

Directors shall also not engage in "back-scratching" exercises with employees and directors of other market intermediaries to provide mutually beneficial transactions in return for similar facilities, designed to circumvent this Code of Conduct.

Directors shall not lend or arrange for the lending of any securities carried for the account of any client without the client's written consent, or borrow, or arrange to borrow, using the securities carried for the account of any client, as collateral, without the client's written consent.

## **VI. Care of Property**

A Director shall take all reasonable steps to ensure that property that is entrusted to his care is adequately protected and not misused or misappropriated. Any Director who contravenes this provision shall be personally liable for losses resulting from the contravention.

## **VII. Political Involvement**

Directors are free to exercise the right to make political contributions within legal limits or be engaged in any political activity. The Company will not reimburse any director for political contributions, and directors should not attempt to receive or facilitate such reimbursements. Generally, no contribution may be made with the expectation of favorable government treatment in return.

Any political activity or contribution by a director which might appear to be an endorsement or contribution by the Company must be approved in advance by the Board of Directors. Directors must not use the Company's resources to seek any public office or further your own political activities or interests.

## **VIII. Insider Dealing and Use of Non-Public Information**

Directors must not trade in any securities based on insider information. Insider trading is defined as dealing in the securities of any company listed or pending listing on a stock exchange at any time when in possession of information, obtained by virtue of employment or connection with the Company, which is not generally available to shareholders of that company and the public, and which, if it were so available, would likely bring a material change in the market price of the shares or other securities of the company concerned. Insider trading constitutes a crime and may result in prosecution.

Directors who possess insider information are also prohibited from influencing any other person to deal in the securities concerned or communicating such information to any other person, including employees who do not require such information in discharging their duty.

Directors are obligated to protect non-public information and confidential information that they may have in their possession at all times, even when their board membership comes to an end.

When in doubt, information obtained by directors should be presumed to be important, not public and should not be acted on.

## **IX. Integrity of Records and Transactions**

A director must ensure the accuracy of all Company business and accounting records. This is the responsibility of everyone in the Company. These records must provide full, fair, accurate, timely, and understandable information and fairly present our financial condition and results of operations in all material respects. Accurate and complete records reflect on our reputation and credibility and also ensure we meet our legal and regulatory obligations.

Directors must not knowingly distort or falsify any account, record, statement, representation or document of the Company that would obscure the true nature of the transaction or record, as well as to mislead the true authorization limits or approval authority of such transactions or records. You must also not coerce, manipulate, mislead, assist or fraudulently influence any other employee or person dealing with the company to distort or falsify any record or transaction. You may not destroy, alter, or falsify any document that may be relevant to a threatened or pending lawsuit or governmental investigation.

Any director who is aware of any arrangement, transaction or relationship that is not reported but believes will have a material effect on the Company's financial condition, its resources, reported results or regulatory reporting requirements, is obligated to report this to management or designated Compliance Officer.

## **X. Confidentiality**

All proprietary and confidential information concerning the Company is the property of the Company and must be protected and must not be disclosed to any external parties unless appropriately authorized to do so by the Board of Directors. In dealing with our clients or vendors or listed companies you may acquire confidential information about them that the Company is required to protect. You must maintain confidentiality of such information. You may use or divulge information only instances required by law or with prior written consent of the client or vendor or listed company.

No director should during or upon and after termination of employment with the Company (except in the proper course of his duty and or with the Company's written consent) divulge, gain financially or make use of any secrets, copyright material, or any correspondence, accounts of the Company or its clients or its vendors.

## **XI. Fair and Equitable Treatment**

All business dealing on behalf of the Company with the current potential clients, with other board members and employees and must be conducted fairly and equitably. Directors must not be influenced by friendship or association, either in meeting a client's requirement, or in recommending that they be met. Such decisions must be made on a strictly arms-length business basis.

All preferential transactions with insiders or related interests must be avoided. If transacted, such dealings must be in full compliance with the law, judged on normal business criteria basis and fully documented and duly authorized by the Board of Directors.

## **XII. Fair Dealing**

We endeavor to act with integrity at all times as we strive to build lasting relationships, trust and credibility with our employees, clients, vendors and other key external stakeholders. With this in mind it is in our best interests to act fairly during our interaction with various parties dealing with the Company.

Acting fairly requires each one of us to be honest and forthright in both our internal and external interaction. You are barred from engaging in unfair methods of competition and unfair or deceptive acts and practices. Always present Company products in an honest and forthright manner.

Do not take advantage of anyone through manipulation, concealment, abuse of privileged information, or misrepresentation of material facts.

Do not improperly influence others directly or indirectly, including making or offering bribes, payoffs, or kickbacks, to obtain or in return for favorable treatment. You should be particularly sensitive when dealing with governmental employees and officials.

### **XIII. Interaction with Competitors**

Directors have to take care as we deal with our competitors and as we gather or seek information about them. You may acquire information on our competitors from third parties as long as there is no reason to believe that the third party is under contractual obligation not to divulge or release the information. You should strive not to acquire or seek to acquire, use, or disclose a competitor's trade secrets or confidential or proprietary information improperly through theft, trespassing, computer hacking, bribery, threats, coercion or any other illegal and unethical means. Making false or deceptive claims or comparisons regarding competitors or their products or services is prohibited.

### **XIV. Acting through Others**

A Director contravenes the Code of Conduct and Ethics if:-

- (a) he causes anything to be done through another person that would, if the Director did it, would be a contravention of the Code of Conduct and Ethics; or
- (b) he allows or directs a person under his supervision or control to do anything that is a contravention of the Code of Conduct and Ethics.
- (c) Acting through others does not apply with respect to anything done without the Director's knowledge or consent if the Director took reasonable steps to prevent it.

### **XV. Conduct of Private Affairs**

A Director shall conduct his private affairs in a way that maintains public confidence in the integrity of his office. This shall include among other things not to evade taxes and not neglect to settle his financial obligations.



## **XVI. Insider Loans**

Directors should not use their positions to further their personal interests. The Company shall not therefore:

(a) Grant or permit to be outstanding any unsecured advances in respect of any of its employees or their associates.

(b) Grant or permit to be outstanding any advances, loans or credit facilities which are unsecured or advances, loans or credit facilities which are not fully secured to any of its officers, significant shareholders or their associates.

(c) Grant or permit to be outstanding any advance, loan or credit facility to any of its directors or other person participating in the general management of the Company unless it is:-

- Approved by the full board of directors upon being satisfied that it is viable; and
- Is made in the normal course of business and on terms similar to those offered to ordinary clients of the Company.

(d) Grant any advance or credit facility or give guarantee or incur any liability or enter into any contract or transaction or conduct its business or part thereof in a fraudulent or reckless manner or otherwise than in compliance of the laws and the regulations.

## 2. Compliance with the Code of Conduct

All directors have a responsibility to understand and follow this Code of Conduct. In addition, directors are expected to perform their work with honesty and integrity at all times in any areas not specifically addressed by the Code of Conduct.

We also interact with consultants, agents, or representatives where their actions may be attributable to us through promoting or selling our products or brand and therefore, we should strive to ensure that they conduct themselves in accordance with this Code and other relevant Company policies in carrying out those actions, and help us comply with applicable laws.

You are required to bring to the attention of management and the designated Compliance Officer any suspected violations of this Code of Conduct. The Company will treat the report/information in a confidential manner including keeping your identity confidential and will seek to ensure that no acts of retribution or retaliation are taken against anyone for making a report in good faith concerning any violation of this Code.

Failure to report knowledge of wrongdoing may result in disciplinary action against those who fail to report. Because failure to report criminal activity can itself be understood to condone the crime, we emphasize the importance of reporting.

When an alleged violation of this Code or applicable laws and regulations is reported, the designated Compliance Officer or appointed external party shall investigate the reported incident promptly.

If an investigation indicates that a violation of this Code or applicable law and regulations has occurred, we will take such action as we believe to be appropriate under the circumstances. This may include disciplinary actions, up to and including termination of employment or affiliation with the Company, and in appropriate cases, civil or criminal action. Appropriate action may also be taken to deter any future violations.

Nothing in this Code of Conduct prohibits or restricts the Company from taking any disciplinary action on any matters pertaining to directors or employee conduct, whether or not they are expressly discussed in this document.

The Code of Conduct may be revised, changed or amended at any time by the Board of Directors.

Every director must annually certify that he or she has read and understood this Code of Conduct and to the best of his or her knowledge is in compliance with all its provisions.

If any provisions within this Code of Conduct conflicts with applicable laws and regulations in Kenya and/or any other jurisdiction that we operate in, the laws and regulations take precedence.

3. Appendix

**(a) Appendix 1: Code of Conduct Director Annual Declaration**



**CODE OF CONDUCT DIRECTOR ANNUAL DECLARATION**

I HEREBY CONFIRM that I have read and understood Unga Group Plc Code of Conduct and to the best of my knowledge, I am in compliance with all its provisions.

I agree that if I become aware of any information that might indicate that this disclosure is inaccurate or that I have not complied with the Code of Conduct, I will notify the Compliance Officer or relevant Board Committee immediately.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Position

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date