

BOC KENYA PLC

ETHICAL-LEGAL PRINCIPLES – PROCUREMENT POLICY

1. Preamble

The Ethical-Legal Principles – Procurement are effective for all persons employed by BOC Kenya PLC (BOC) and its subsidiaries (hereinafter also referred to as “we”) supplementary to any general provisions prescribed by law.

They are addressed particularly to those persons within BOC who deal directly with suppliers, ordering parties/ contractors, and other business partners.

With the adoption of these principles, BOC establishes principles for business conduct and for avoiding conflicts of interest that must be adhered to by each employee. In addition, we endeavour to manufacture our products as ecologically and as socially-responsible as possible in compliance with the laws in effect from time to time and taking into account the particular economic circumstances.

We encourage our business partners to commit themselves to these principles as well, and we expressly point out that these principles may influence the choice and assessment of a business partner.

The Ethical-Legal Principles - Procurement are congruous both with our Corporate Responsibility Policy and the Code of Ethics for Employees.

2. Business Conduct and Avoidance of Conflicts of Interest

We are committed to the principles of free and fair competition. We therefore reject any illegal business practices in connection with the procurement of goods and services.

Such practices have a lasting detrimental effect on our company and fundamentally jeopardize the corporate values and norms everywhere where BOC transacts business either directly or indirectly through its subsidiaries.

Those employed by BOC and its subsidiaries are therefore obliged to structure their relationships with business partners in accordance with the following principles.

- 2.1 Competition law regulations must always be complied with. Accordingly, it is not permitted to conclude agreements with competitors or other business enterprises in contravention of antitrust law.
- 2.2 Employees who demand, obtain promises of, or accept personal benefits from business partners in exchange for preferential treatment in conjunction with the awarding of contracts will – regardless of any criminal law repercussions – be disciplined and held accountable under employment law.
- 2.3 Business partners who attempt to win a contract in an unfair manner by granting personal benefits to employees of BOC or to our customers are – regardless of any criminal law repercussions – to be excluded from being awarded contracts in future.
- 2.4 The provisions of the purchase procedures are geared towards the respective purchasing guidelines in effect in the corporate divisions, particularly with regard to signature procedures



and approval levels.

- 2.5 All purchase orders must be countersigned by at least one Senior Manager. This person is equally responsible for the correctness of the procedure and of all documents so-called "four eyes principle". This may, in certain cases, be modified provided that appropriate rules are established and documented.
- 2.6 BOC expects its contractual partners to comply with the various quality requirements adopted by itself.
- 2.7 Business contacts are not to be exploited for business transactions and for purchases of goods or services of a private nature.
- 2.8 A BOC employee may not take part in a decision to award a contract to a company:
 - in which the employee exercises a function or is legally part of such a company,
 - in which the employee or a member of his/her family has a financial interest (except wide spread shareholdings),
 - if the employee is related to a member of the management or to the owner(s).

The rule is: Suppliers of goods and services are not allowed to simultaneously be employees of BOC and vice versa.

- 2.9 The acceptance of gifts of any kind whatsoever, but particularly in the form of money, certificates with a monetary value, payments in kind, or services, is not permitted. This does not apply to inexpensive tokens of appreciation commensurate with the circumstances or to typical promotional gifts bearing a company's logo. Under no circumstances may gifts be received at a private address.

Also considered as unacceptable benefits are invitations from suppliers and business partners to events for which airfare, hotel, or other travelling expenses are being paid by the latter. Invitations to social events must be appropriate and should be based upon the principle of reciprocity. Participation in an event must always be reported to the employee's superior and approved by him/her.

In some cultures, gifts and invitations are customary and a sign of politeness. This does not give rise, however, to a binding commitment, and all legal provisions must still be complied with. The employee's superior must be informed of such gifts.

3. Social Aspects, Product Safety, and Environmental Protection

In general, our business activities are subject to our national laws and regulations dealing with environmental protection, product safety, and social welfare matters.

We therefore also orient ourselves along the lines of the conventions of the International Labour Organisation (ILO) and the Universal Declaration of Human Rights of the United Nations (UN). Such international regulations are in the nature of agreements establishing minimum requirements recognized worldwide in a global framework.

Compliance with laws and regulations is a matter of course for us; we constantly strive for conformance.

We also take this into account in the procurement of goods and services, and we expect of our business partners that they feel obliged, in the same manner, to comply with these and the following principles.



- 3.1 The respective national laws or recognized international rules are standards for a safe and hygienic working environment. We take the appropriate measures to ensure safety and health protection at the work place, and we endeavor to continually improve the work environment and health care. These goals are also enhanced by internal corporate guidelines, which go beyond the named laws and regulations.
- 3.2 The national laws and sector-specific labour regulations concerning working time are to be applied.
- 3.3 Remuneration will be aligned to applicable laws and the labour market. The remuneration must be monetary and paid on a regular basis.
- 3.4 Employees will be selected, hired, promoted, and remunerated on the basis of their qualifications and their capabilities.
- 3.5 The principles of equal opportunity and equal treatment (non-discrimination) apply to all employees regardless of ethnic origin, skin colour, sex, religion, citizenship, sexual orientation, social origin, or political opinion that is based on the principles of freedom and democracy and tolerance towards those with dissenting opinions.
- 3.6 We reject any practice that restricts employees in their right to a free choice of work. In addition to slavery-like forced labour, this also includes, but is not restricted to, debt bondage, psychological and physical use of force, the retention of personal documents, the depositing of money as security (including the retention of outstanding wage payments), or mandatory remuneration in the form of non-monetary resources.
- 3.7 The minimum age requirements prescribed by the law and international agreements and must also be complied with. In no case may the taking on of an employment activity interfere with the obligation to attend school.
- 3.8 An effective communication and negotiation climate amongst the employers and staff members enhances competitive strength. A functioning company dialogue structure is the basis for continuous improvement and adaptive processes for increasing market requirements.
- 3.9 The quality/condition of our products and the products purchased from our suppliers, must not unreasonably endanger the safety of our employees, our business partners, or innocent bystanders.
- 3.10 Our products also aim to enable our customers to transact with the earth's resources in a protective manner and to minimize negative impacts on nature and the environment. Our suppliers and ordering parties/contractors also participate in the attainment of this goal in a decisive way. The manufacturing of products should also be as environmentally friendly as possible.

In relation to all business activities, any national and international laws for the protection of the environment and for sparing resources that are in force from time to time must be complied with.

We support every initiative that aims – over and above that which is required by existing law – to minimize a negative environmental impact.



3.11 Education and know-how are key factors for successful economic activities and social development. A continual commitment to educating and training employees is therefore extremely important.

3.12 Social involvement by the employees beyond that required by law is something to be encouraged.

4. Implementation

4.1 All employees of BOC and its subsidiaries will receive notification of these principles.

4.2 Each particular employee is responsible for notifying our business partners of these principles. We therefore also expect our business partners to comply with these principles.

4.3 Should employees become aware of a digression from the aforementioned principles, they may at any time approach their superiors, with the necessary degree of confidentiality.

4.4 Compliance with these regulations will be observed and monitored by the internal audit department and the Audit and Risk Committee of the Board Of BOC.

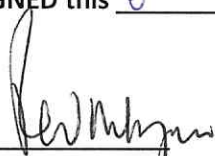
5. Concluding Comments

In our opinion, the safeguarding of environmental and social standards and the combating of unfair competition practices in a globalized economic area is a long-term learning and development process. We will continually review and revise the foregoing principles in terms of their practicability and effectiveness.

APPROVAL:

This Ethical-Legal Principles-Procurement Policy was reviewed and Approved by the Board of BOC Kenya PLC on Wednesday 5 December 2018 and further Approved for upload onto the Company's website <http://www.boc.co.ke>.

SIGNED this 6th day of December 2018



Mr. R. Mbugua
Chairman of the Board



Mrs. M. Mwangi
Managing Director