

## BOC KENYA PLC

### RELATED PARTY TRANSACTIONS POLICY

#### Purpose

This policy is intended to enable the Board of BOC Kenya PLC (the Company) to consider the approval and reporting of transactions between the Company and any of its directors, Executive Officers or Significant Shareholders or certain entities or persons related to them. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders. The Company is required to disclose each year in its Annual Report certain transactions between the Company and Related Parties as well as its policies concerning transactions with Related Parties. In addition, the Board reviews any Related Party Transactions involving non-executive directors as part of the annual determination of their independence.

#### Definitions

- "Executive Officer" means any executive director, manager or Company Secretary of the Company as designated by the Board.
- "Immediate Family Member" means a spouse, child, stepchild, parent, stepparent, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of a director, Executive Officer or Significant Shareholder, and any person (other than a tenant or employee) sharing the household of such director, Executive Officer or Significant Shareholder.
- "Related Party" means any person who is or at any time since the beginning of the Company's last financial calendar year was:
  - A director or Executive Officer of the Company; or
  - A Significant Shareholder; or
  - An Immediate Family Member of any of the foregoing persons.
- "Related Party Transaction" means:
  - Any transaction directly or indirectly involving any Related Party that would be required to be disclosed under the Companies Act 2015, the Capital Markets Act (Cap 485A) and or the CMA Code of Corporate Governance Practices for Issuers of Securities to the Public 2015 as may be amended from time to time.
  - Any material amendment or modification to an existing Related Party Transaction regardless of whether such transaction has previously been approved in accordance with this policy.
- "Significant Shareholder" means an entity or person known by the Company to be the beneficial owner of more than 5 percent of any class of shares of the Company.



Notwithstanding the foregoing, the following shall NOT be deemed Related Party Transactions:

- Any transaction that involves the providing of compensation to a director or Executive Officer in connection with his or her duties to the Company or any of its subsidiaries or affiliates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business as applicable.
- Contributions by the Company or any of its affiliates to a charitable organization, foundation or university at which a Related Party is a trustee, director, or employee other than an officer (or comparable position), provided that the contribution does not exceed Kenya Shillings One hundred thousand (KES 100,000/-).
- Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.

### **Policy**

All potential Related Party Transactions must be reported to the Chairman of the Board or Company Secretary and, if determined by the Chairman of the Board or Company Secretary to constitute a Related Party Transaction, referred for approval or ratification by the Board in accordance with this policy.

This policy is in addition to the provisions dealing with conflicts of interest in the Company's code of ethics and business conduct and the Conflict of Interest Policy.

### **Identification of Potential Related Party Transactions**

Each director and Executive Officer is responsible for providing prompt written notice to the Chairman or the Company Secretary of any potential Related Party Transaction involving him or her or his or her Immediate Family Member, including any additional information about the transaction that the Chairman or Company Secretary may reasonably request.

The Chairman, in consultation with the Company Secretary, other members of management (namely the Managing Director and Finance Director) and external counsel, as appropriate, will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

In addition, each director and Executive Officer is required, on an annual basis, to complete a questionnaire that asks about any current, past or proposed Related Party Transaction and conflict of interest during the particular financial calendar year involving themselves or their Immediate Family Members.

The Chairman or the Company Secretary should receive notice of any potential Related Party Transaction well in advance of consummation of the transaction so that he or she has adequate time to obtain and review information about the proposed transaction.

Ratification by the Board of a Related Party Transaction after its commencement or even its completion may be appropriate in some circumstances, however.



## Review and Approval of Related Party Transactions

Related Party Transactions will be referred by the Chairman or Company Secretary to the Board for review and approval or ratification. Any member of the Board who has a potential interest in any Related Party Transaction will recuse himself or herself and abstain from voting on the approval or ratification of the Related Party Transaction, but may participate in all or a portion of the Board's discussions of the Related Party Transaction, if requested by the Chairman of the Board.

To review a Related Party Transaction, the Board will be provided with all relevant material information of the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters. In determining whether to approve or ratify a Related Party Transaction, the Board will consider the following factors, among others, to the extent relevant to the Related Party Transaction:

- Whether the terms of the Related Party Transaction are fair to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- Whether the Related Party Transaction would impair the independence of an otherwise independent director;
- Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification would be detrimental to the Company; and
- Whether the Related Party Transaction would present an improper conflict of interest for any director or Executive Officer of the Company, taking into account the size of the transaction, the overall financial position of the director, Executive Officer or other Related Party, the direct or indirect nature of the director's, Executive Officer's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board deems relevant;

In any case where the Board determines not to ratify a Related Party Transaction that has been commenced without approval, the Board may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction, or modification of the transaction to make it acceptable for ratification.

In connection with any review of a Related Party Transaction, the Board has authority to modify or waive any procedural requirements of this Policy.

If the Chairman or the Company Secretary determines that a Related Party Transaction should be brought before the Board, or if the Board in any case elects to review any such matter, then the considerations set forth above shall apply to the Board's review and approval of the matter, which such modification as may be necessary or appropriate under the circumstances.



### Policy Interpretation and Updates

The Chairman and Company Secretary are responsible for interpreting this policy as required.

The Board may authorize variations in the procedures set forth in this policy, provided that those variations are consistent with the general purpose of this policy and applicable laws and the Board Charter. Any such variations must be confirmed in writing.

### Policy Amendments

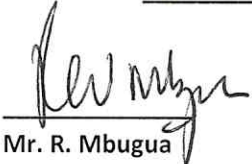
Any material amendment to the terms of this policy must be approved by the Board of Directors.

The Board will review and may amend this policy from time to time.

### Approval

This Third Party Related Transactions Policy was approved by the Board of BOC Kenya PLC on Wednesday 5 December 2018 and further approved for upload onto the Company's website.

SIGNED this 6<sup>th</sup> day of December 2018



Mr. R. Mbugua  
Chairman of the Board