



CODE OF CONDUCT & ETHICS



CODE OF CONDUCT & ETHICS

TO ALL STAKEHOLDERS OF NIC GROUP

NIC Group, (which means collectively, NIC Group PLC and all its direct and indirect subsidiaries), hereinafter referred to as the Group is one of the leading financial services provider in the region.

Our success is the result of many things:

The knowledge, experience and talent of our employees;

The development and execution of our strategy;

The strength of our management team; and

The quality and diversity of our products and services.

This success is also very much the result of our values, which we will constantly work to reinforce and communicate to our employees, shareholders and customers.

The Code of Conduct and Ethics expresses the values that must drive our behavior. We live by our values and expect all who work for us to live by them as well. They are vital to securing and maintaining respect from our stakeholders who are central to our business growth and sustainability. The Group has identified the following as its key stakeholders:

- shareholders;
- employees;
- financial development partners;
- government regulatory agencies;
- suppliers;
- customers; and
- the community / members of the public at large.

Our Vision

“Building Prosperity Together.”

The NIC Group Corporate Values are;

- Responsiveness – ‘Being proactive and defining new possibilities for the customer’
- Professionalism – ‘Demonstrating confidence, skill and excellence’
- Integrity – ‘Being honest, trustworthy and having strong moral principles’
- Passion – ‘Loving and taking pride in what we do’
- Innovation – ‘Finding fresh new ways of doing things’

Our Commitment

At NIC Group, we aspire to high standards of integrity and professionalism.

We commit to uphold and adhere to the requirements defined within the Board Charter on good governance and ethical practices. We will be responsive to our customer needs, innovative in our product range, and offer superior quality service.

We have passion to excel, day in and day out as we go about our business. We are committed to this Code of Conduct and Ethics to enable us deliver value to our customers, our shareholders, our suppliers, our stakeholders.

We, the Board of Directors, are committed to this Code of Conduct and Ethics. We appreciate your support in realising our vision in whatever capacity you serve.

Sincerely,

Name Designation Signature

James P.M. Ndegwa Chairman

Frederick M. Mbiru Deputy Chairman

John Gachora Group Managing Director

Alan J. Dodd Executive Director

David Abwoga Executive Director

George A. Maina Director

Francis N. Mwanzia Director

Andrew S.M. Ndegwa Director

I. Ochola - Wilson Director

Paras V. Shah Director

Kairo Thuo Director

Esther Ngaine Director

Wakini Ndegwa Director

Jonathan Somen Director

Philip R. Lopokoityit Director

Samuel M. Mwale – Director

Simon Rutega - Director

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CODE OF CONDUCT & ETHICS

Introduction

The Code of Conduct and Ethics outlines the principles and policies that govern the activities of the Group, and to which our employees and others who work with us, or represent us directly or indirectly, must adhere. All employees of NIC Group are required to read and follow this Code of Conduct and Ethics (The Code). This Code will be reviewed by the Compliance Department at least every two years, or more frequently based on changes in the internal and/or external operating and legal environment affecting the Group's governance and ethics program.

The Group expects all of its representatives to act in accordance with high standards of personal and professional integrity in all aspects of their activities and to comply with Central Bank of Kenya (CBK) Prudential Guidelines on Corporate Governance (CBK/PG/02), the Capital Markets Authority (CMA) Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015, the Capital Markets (Corporate Governance) (Market Intermediaries) Regulations 2011, the Companies Act, 2015 and such other applicable local and international laws, regulations and best practices, (including those relating to anti-corruption and anti-bribery practices and programs), and company policies and procedure standards.

This Code of Conduct and Ethics applies to all NIC Group representatives, including its Directors, employees, temporary workers, independent contractors and consultants. This Code should be read in conjunction with the policies, procedures, applicable laws and regulations governing all activities across the Group's operations.

If you have any questions about these policies or about any supplemental policies, you should discuss them with your Line Manager, Human Resources representative, the Compliance Manager or the Group Company Secretary. Waivers may be granted by the Board of Directors or a Board committee and must be disclosed promptly.

The NIC Group expects you to act in full compliance with the policies set forth in this Code and in a manner consistent with high ethical standards. Failure to observe these policies may result in disciplinary action, up to and including immediate termination of employment or other relationships with the NIC Group.

This Code of Conduct and Ethics neither constitutes nor should it be construed to constitute a contract of employment or otherwise, for a definite term or a guarantee of continued employment and/or relationship with NIC Group.

All staff shall annually attest their commitment to abiding by this Code of Conduct and Ethics and submit the digital attestation form (available on the Group's intranet) to the Human Resources Department (HRD) by a date to be determined and communicated to all staff by the HRD each year.

The Code broadly gives guidance for professional conduct under the following major headings:

(i) Responsibilities to NIC Group

Employees are responsible for maintaining ethical standards, including appropriate accounting and operational controls.

We expect our employees and other representatives to comply fully with appropriate laws and internal regulations.

Employees who become aware of violations of law, regulation or the Group's policies should communicate their suspicions to their immediate Line Manager, Human Resources representative, the Compliance Manager or the Group Company Secretary.

(ii) Workplace Responsibilities

We are committed to fair employment practices and a workplace free from any kind of discrimination, harassment or intimidation of employees. Similarly, employees are expected to avoid any practices that may appear to contravene this section.

NIC Group premises are free from drug use or sale.

We are committed to the safety of our employees and all others on our premises

(iii) Representing NIC Group to Customers and Stakeholders

We treat our customers, suppliers, stakeholders and competitors fairly.

The Group Managing Director must approve all publications, speeches, media interviews and other public appearances.

(iv) Privacy / Confidentiality

We protect proprietary and confidential information at all times in accordance with applicable law. We keep customer information secure at all times.

(v) Investments and Outside Activities

Trading in the securities of NIC Group or any company it deals with while in possession of material non-public information is illegal.

Communication of any unpublished price sensitive information to any person or counseling another person to procure any securities on the basis of unpublished price sensitive information is illegal.

(vi) Social Responsibility and Commitment to the Environment

We are committed to doing business in an environmentally responsible manner through identifying and mitigating environmental and social risks that may arise out of our operations.

(vii) Anti-Money Laundering Compliance (AML) / Combating the Financing of Terrorism (CFT) / Know Your Customer (KYC)

Employees are expected to comply with the AML/CFT/KYC Legislations, Regulations and Policies, which require that all financial institutions/businesses develop and implement effective programs.

(viii) Corporate Governance, Risk Management & Compliance, Audit and Internal Controls Frameworks

We are committed to having an integrated risk management program encompassing Corporate Governance, Risk Management & Compliance, Audit and Internal Controls that reflect best market practice and which is in line with both Local and International Risk Management guidelines so as to promote a strong risk culture within our operations.

Professional Conduct Guidance

1. Responsibilities to NIC Group

Maintaining ethical standards, including appropriate accounting and internal accounting controls, is the responsibility of every member of NIC Group. Early identification and resolution of ethical issues that may arise are critical to maintaining our commitment to Integrity, Professionalism and Responsiveness.

Employees shall uphold and adhere to all the laws and regulations affecting the Group businesses, including but not limited to the Central Bank of Kenya (CBK) Prudential Guidelines on Corporate Governance (CBK/PG/02), the Capital Markets Authority (CMA) Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015, the Capital Markets (Corporate Governance) (Market Intermediaries) Regulations 2011, the Companies

Act, 2015 and such other guidelines and recommendations as may be issued from time to time by relevant industry bodies such as the Kenya Bankers Association (KBA) where applicable.

Employees and other representatives are expected to treat compliance with ethical standards as a critical element of their responsibilities. Although this Code endeavors to address a wide range of business practices and procedures, it cannot anticipate every issue that may arise. If you are unsure of what to do in any situation, you should seek additional guidance and information before you act. If you have any questions regarding the best course of action in a particular situation, or if you suspect or become aware of a possible violation of a law or regulation, you should promptly contact any of the following:

- Your Line Manager;
- Your Human Resources Representative;
- The Compliance Manager; or
- The Group Company Secretary.

2. Investigations

You are required to co-operate fully with any appropriately authorised internal or external investigators, including but not limited to those involving ethical issues or complaints of discrimination or harassment. Making false statements to or otherwise misleading internal or external auditors, investigators / reviewers or regulators is grounds for immediate termination of employment or other relationship with NIC Group and may also be a criminal act that can result in severe penalties and prosecution. You must never withhold or fail to communicate information that raises ethical questions and thus should be brought to the attention of higher levels of management.

In addition, you are required to report suspected insider trading, fraud or attempted fraud and any mysterious disappearance of funds or securities immediately. The reports may be submitted anonymously as per the requirements of the Group Whistle Blowing Policy or via such other practical means and in sufficient detail to enable a comprehensive review of the matter reported.

3. Protecting NIC Group Assets

You are responsible for safeguarding the tangible and intangible assets of the Group and its customers, suppliers and distributors that are under your control. NIC Group's assets may be used only for stipulated business purposes.

Assets include cash, securities, business plans, customer information, supplier information, distributor information, intellectual property (innovations, computer programs, models and other items), physical property and services.

Misappropriation of assets is a breach of your fiduciary duty and may constitute an act of fraud against NIC Group.

Carelessness or waste in regard to the Group assets is highly discouraged as it leads to loss of value to stakeholders. Telephone, e-mail, voice mail and computer systems are primarily for business purposes. You may not use these systems in a manner that could be harmful to the reputation of the Group. Personal communication using these systems must be kept to a minimum as detailed in the Bank's IT policy.

Employees should disclose and assign to NIC Group all interest in any invention, improvement and discovery or work arising out of or in connection with their employment with NIC Group.

4. Accuracy of Records and Reporting

All records, data and information owned, collected, used and managed by NIC Group, including regulatory reports, must be accurate and complete. You are personally responsible for the integrity of the information, reports and records under your control. Records must be maintained in sufficient detail as to reflect accurately all transactions. Financial statements must always be prepared in accordance with generally accepted accounting principles and fairly present, in all material respects, NIC Group's financial condition and results. You must observe standards of professionalism and integrity regarding content and language when creating business records and other documents (such as e-mail) that may be retained by the Group or a third party.

Records should be retained in accordance with the approved policies. You are prohibited from destroying any records that are potentially relevant to a violation of law or any litigation or any pending, threatened or foreseeable investigation or legal proceeding.

5. Workplace Responsibilities

5.1 Fair Employment Practices

NIC Group seeks to recruit, develop and retain the best talented people. Recruitment of new employees through a rigorous selection process is based on qualification, experience and suitability. Career advancement at NIC Group is based on talent, performance, and individual potential to grow. Other processes that support the organisation structure include job evaluation and placement, succession planning and reward management. The Group is fully committed to equal employment opportunities.

5.2 Discrimination and Harassment

The Group values a work environment where our employees' diversity is valued and respected. Discrimination, harassment or intimidation of any nature, whether committed by or against a supervisor, co-worker, customer, vendor or visitor is prohibited. Discrimination and harassment, whether based on a person's race, gender, color, creed, religion, national origin, citizenship, age, disability, marital status, sexual orientation or socioeconomic status is completely inconsistent with our aspirations of providing a respectful, professional and dignified workplace.

If you believe that you are being subjected to discrimination or harassment, or if you observe or receive a complaint regarding such behavior, you should report it to your supervisor, your Human Resources Representative or to the Group Managing Director. You may choose to remain anonymous via the Group's Whistle Blowing Program. All allegations of harassment or discrimination will be investigated and appropriate corrective action taken to the fullest extent permitted by law. Retaliation against individuals for raising claims of discrimination or harassment is strictly prohibited.

5.3 Drug-Free Workplace

To meet our responsibilities to employees, customers and investors, we must maintain a healthy and productive work environment. Misuse of controlled substances, selling, manufacturing, distributing, possessing, using or being under the influence of illegal drugs and alcohol on the job is prohibited.

6. Representing NIC Group to Customers and Stakeholders

6.1 Safety in the Workplace

The safety of people in the workplace is of utmost importance. Each of us must comply with all applicable health and safety policies. We must maintain compliance with all local and international laws, and internal guidelines that have been developed to help maintain secure and healthy work surroundings.

6.2 Fair Treatment

NIC Group is committed to dealing fairly with its customers, employees, suppliers, stakeholders and competitors. No person may take unfair advantage of anyone through manipulation, concealment, abuse of confidential information, misrepresentation of material facts or other unfair dealing practice. All customer applications for loans and other products must be treated consistently with the Group's fair lending policy.

6.3 Media, Publishing and Public Appearances

Before publishing, making speeches, giving interviews or making public appearances that are connected to NIC Group and/or its business interests, you must get approval from the Group Managing Director. All enquiries from the media relating to NIC Group should be referred to the Director - Marketing, Communication & Citizenship.

The Managing Directors of the regional subsidiaries are authorised to speak in their respective countries on behalf of their respective businesses.

All staff should remember to adhere to the Group's Media Relations Policy.

All staff interacting on the online social media space whether on a personal capacity or when acting on behalf of NIC Group, should remember to adhere to the Group's Corporate Values, the **Code of Conduct and Ethics** and the relevant **Information and Communications Technology (ICT)** and **Marketing Communications and Citizenship (MCC)** Policies. Any deviation from these commitments may be subject to disciplinary review or other appropriate action as outlined in the **Group's Human Resource Policy document**. Always remember that the privacy of our clients is protected by the various laws, regulations and guidelines that regulate NIC Group in the respective countries it operates and is embedded in the Group's internal policies on customer confidentiality and privacy rights.

6.4 Gift/Benefit and Entertainment

In general, you may not accept gifts/benefits or the conveyance of anything of value exceeding KShs. 5,000 from current or prospective customers or suppliers. Cash gifts/benefits of any amount are strictly prohibited. You must never accept a gift/benefit under circumstances in which it could appear that your business judgment has been compromised. Similarly, you may not accept or allow a close family member to accept gifts/benefits, services, loans or preferential treatment from customers, suppliers or others, in exchange for a past, current or future business relationship with NIC Group.

Gifts/benefits may be accepted when permitted under applicable law if they are;

- a. customary and reasonable meals and entertainment at which the giver is present, such as the occasional business meal or sporting event;
- b. gifts/benefits from family or friends with whom you have a non-business relationship.

Staff shall declare/disclose to their Head or Director of Department through their Line Manager, any gifts received from customers, suppliers or any other person resulting from a direct or indirect business dealing relating to the NIC Group which is of value exceeding KShs. 5,000 or its equivalent in other currencies, within 24 hours of receipt of the gift. The Head or Director of Department will then advise the member of staff as to whether or not it is permissible to retain the gift, politely return it to the giver or such other prudent action that is protective to both the member of staff and the NIC Group.

The Human Resources Department shall maintain a gifts register where all gifts declared / disclosed by staff and the decision made in relation to those gifts shall be recorded.

The Board of Directors shall not accept a benefit/gift from a third party if the benefit is attributable;

- a. to the fact that the person is a director of the company; or
- b. to any act or omission of the person as a director.

The duty imposed on the Board of Directors not to receive a benefit / gift is not infringed if the acceptance of the benefit / gift cannot reasonably be regarded as likely to give rise to a conflict of interest.

If you have any question about the appropriateness of accepting a gift/benefit or invitation, you should discuss the matter with Human Resources or the Compliance Manager prior to acceptance.

If a gift/benefit could be seen as engaging in bribery or a consideration for an official or business favor, you must not give or take the gift / benefit.

Appropriate entertainment may be offered to customers by persons authorised to do so, subject to the business expense reimbursement requirements applicable to your management level.

Under no circumstances may you offer or accept anything of value to a government official for the purpose of influencing the recipient to take or refrain from taking any official action, or to induce the recipient to conduct business with NIC Group.

6.5 Bribery and Corruption

NIC Group is committed to zero tolerance of any form of Bribery, whether direct or indirect, by the Directors, Employees, Associates or Agents who act on its behalf and who should not give, request, and agree to receive or receive a financial or other advantage intending that, a relevant function or activity should be performed improperly whether by that person giving or receiving the bribe or by another person. Specifically, The Directors and Employees of NIC must not give or receive bribes to or from any public and private officials.

A bribe is any gift, payment or other benefit offered in order to secure an improper advantage (whether personal or business-related).

Advantage has been defined to include;

1. money or any gift, loan, fee, reward, commission, valuable security or other property or interest in property of any description, whether movable or immovable;
2. any office, employment or contract;
3. any payment, release, discharge or liquidation of any loan, obligation or other liability whatsoever, whether in whole or in part;
4. any other service, favor or advantage of any description whatsoever, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary or penal nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty;
5. any facilitation payment made to expedite or secure performance by another person.

The Bank encourages all Directors and Employees who act on its behalf to report any information on any Bribery activities within the Group or being performed by any Directors, member of staff, its agents or associates, which they have knowledge or are privy of once they have such knowledge or information, through the channels provided in the Group's Whistle Blowing Policy.

Once the Bank receives a report or information relating to a Bribery allegation it shall, while commencing and investigation of the matter, report to the Ethics and Anti- Corruption Commission within 24 hours of such knowledge. The Head of Risk Management and Compliance shall be in charge of the reporting.

7. Dealing with Suppliers

NIC Group purchases all goods and services on the basis of price, quality, availability, terms and service.

Suppliers and service providers must adhere to the Group policies as applicable and agree to keep any relationship with NIC Group confidential unless disclosure has been approved. All suppliers must comply with applicable non-discrimination laws. All suppliers must abide by the NIC Group Procurement & Supplies Policy.

Vendor relationships may be subject to other restrictions or disclosure obligations under securities or other laws.

NIC Group shall at all times ensure timely, transparent and effective communication with all suppliers and any other stakeholders.

Employees responsible for a customer relationship must never lead a supplier or customer to believe that they can influence any procurement decisions at NIC Group. In connection with offering or pitching business to a supplier or customer, employees may not suggest that any business or service may be withdrawn or awarded in return for personal reward. Real or perceived conflicts of interest in the procurement process should be disclosed and avoided.

NIC Group shall institute and adhere to the Alternative Dispute Resolution (ADR) mechanisms to solve any internal or external disputes in the organisation with the aim of expeditiously resolving complaints / conflict outside of the judicial process and hence promoting fair, prompt and inexpensive out of court settlements.

Political Activities and Contributions

8. Political Activities and Contributions

You have the right to voluntarily participate in the political process. No one from NIC Group may require you to contribute / donate to, support or oppose any political group or candidate. If you choose to participate in the political process, you must do so as an individual, not as an NIC Group employee / representative, and in a manner that does not touch on the Group's name, or imply or create a conflict of interest with your work or position within the Group.

Should you choose to run for an elective political office, you will be required to resign from the Group prior to seeking such a position. You may not work on a political fundraiser or other campaign activity or openly support any political party while in the company, or use the Group's name, property or resources for these activities.

The relevant Industry Association or Body will represent NIC Group as a corporate entity, in all political and/or government matters.

9. Privacy /Confidentiality

9.1 Proprietary and Confidential Information

You must protect the confidentiality of non-public information you obtain or create in connection with your activities for NIC Group. You must not disclose proprietary or confidential information about the Group, or its employees, or confidential information about a customer, supplier or distributor, to anyone who is not authorised to receive it or has no need to know the information. The only exceptions are when such a disclosure is authorised by the customer, supplier or distributor, or by applicable law or appropriate legal process.

Examples of proprietary and confidential information include any system, information or process that gives NIC Group an opportunity to obtain an advantage over its competitors; non-public

information about the Group's operations, results, strategies and projections, business plans, business processes and client relationships.

You must take precautionary measures to prevent unauthorised disclosure of proprietary and confidential information. Accordingly, you should also take steps to ensure that business related paperwork and documents are produced, copied, faxed, filed, stored and discarded by means designed to minimise the risk that unauthorised persons might obtain access to proprietary or confidential information.

You should also ensure that access to work areas and computers is properly controlled. You should not discuss sensitive matters or confidential information in public places such as elevators, hallways, restaurants, rest rooms and public transportation.

9.2 Privacy of Employee Information

NIC Group recognises and protects the privacy and confidentiality of employee medical and personnel records.

Such records must not be shared or discussed with unauthorised parties except as authorised by the employee or as required by law or regulation.

10. Investments and Outside Activities

10.1 Insider Trading

NIC Group policy and the various laws, regulations and guidelines that regulate NIC Group in the respective countries it operates, prohibits an employee who is or at any time in the preceding six months has been connected with a corporate body from trading in the securities, (including equity securities, convertible securities, options, bonds and any stock index containing the security), of any company while in possession of material, non-public information, (also known as "insider information"), regarding the company.

Despite the aforementioned, an individual in the Group who is not defined as an "insider" by the Capital Market Authority Act, may trade with shares of a listed body Corporate within thirty (30) days after the body Corporates financial information and/or other corporate disclosures are published in the media.

This prohibition applies to NIC Group securities as well as to the securities of other companies of which NIC Group staff are in possession of material non-public information regarding those companies. It applies to transactions for any account, be it a client account or personal account.

A personal trading account is any account in which you have a financial or beneficial interest, or the power to affect or ability to influence trading or investment decisions, either directly or indirectly. Personal trading accounts typically include accounts of spouses, children and other members of your household, and accounts of legal entities over which you have investment discretion.

The Human Resources Department shall maintain a register for the digital annual declarations by all staff relating to Insider Trading prohibitions and direct holdings for review and guidance. The register shall also contain such guidance or decision made in relation to the declared interests. The digital forms (available via the intranet) shall be submitted by a date to be determined and communicated to all staff by the HRD.

If you believe you have come into possession of insider information, you may not execute any trade in the securities of the subject company without first consulting the Compliance Manager or the Group Company Secretary, who will then determine whether such trade would violate policy or applicable laws.

Information is considered to be “non-public” unless it has been publicly disclosed, and adequate time has passed for the securities markets to digest the information. Examples of adequate disclosure include public filings with securities regulatory authorities and the issuance of press releases, and may also include meetings with members of the press and public.

Please refer to Staff & Related Parties Securities Trading Policy for more details.

Conflicts of Interest

11. Conflicts of Interest

You must be sensitive to any activities, interests or relationships that might interfere with, or even appear to interfere with, your ability to act in the best interests of NIC Group and its customers. The following are some of the areas in which real or perceived conflicts of interest may arise.

11.1 Use of NIC Group Name, Facilities or Relationships

You should not use the Group’s name (including on corporate letterhead or personal websites), facilities or relationships for personal benefit or for outside work. Use of the Group’s name, facilities or relationships for charitable purposes can be made only with prior approval from the Group Managing Director through the Director – Marketing, Communication and Citizenship.

11.2 Related Party Business Dealings

You must notify your Head of Department of any business relationship or proposed business transaction you may have with any company in which you or a related party has a direct or indirect interest or from which you or a related party may derive a benefit, or where a related party member is employed, if such a relationship or transaction might give rise to a conflict of interest (for example, if you or a family member owns or controls property of significant value that NIC Group is either purchasing or leasing).

11.3 Investments

You must not make any personal investment in an enterprise if the investment might affect or appear to affect your ability to make unbiased business decisions for NIC Group. If you made such an investment before joining the Group, or your position at NIC Group changes in such a way as to create a conflict of interest or the appearance of such a conflict, you must notify in writing, the facts to your Head of Department and Human Resources. Investments falling under this provision include investments in a public or private company that is a vendor to or competitor of NIC Group, or otherwise does business with or is doing a transaction with NIC Group that may be associated with investments in public companies.

11.4 Other Outside Business Interests/Employment

It is considered a conflict of interest if a staff member conducts business other than the bank’s business during office hours.

Where the acquisition of any business interest or participation in any business activity outside the institution and office hours demands time and attention from the member of staff, thereby depriving the bank of the employee’s best efforts on the job, a conflict of interest is deemed to exist.

Before making any commitment, employees are to discuss possible part-time employment or other business activities outside the bank’s working hours with their manager or departmental head. A written approval of the respective Division Director and Director of Human Resources should be obtained before an employee embarks on any part-time employment or other business activities. Approval should be granted only where the interest of the institution will not be jeopardised.

11.5 Outside Financial Interest

Where employees have a financial interest in a customer, whether a sole proprietor, shareholder, creditor or debtor, such an interest must be disclosed immediately to their immediate supervisor and human resources.

Thereafter, the affected staff should not be directly involved in the bank's dealings with the customer so long as the interest continues to exist.

The above restriction does not apply in cases where employees have holdings of public quoted securities unless the management views the interests to be material, and that the financial interest is considered likely to impair the objectivity of the member of staff concerned. The holding of five (5) per cent or more of the voting shares of a publicly quoted company would be regarded as material.

11.6 Corporate Directorship

Employees must not solicit corporate directorships. An employee should not serve as a director of another corporation without the approval of the Group Managing Director through the employee's Department Director, or the Board of Directors as the case may warrant.

In instances where staff are requested to undertake voluntary public or charitable service whether on a regular or part time basis, prior consent should be obtained from the employee's Department Director, or from the Group Managing Director. This is provided that the voluntary, public or charitable work does not conflict with the employee's duties with the Bank.

Any employee accepting an appointment, as director of an unaffiliated for-profit company or organisation must ensure the proper treatment of confidential information received from such entity in connection with being a director.

11.7 Trusteeships

Employees must not solicit appointments as executors, administrators or trustees of customer estates. If such an appointment is made and the employee is a beneficiary of the estate, his signing authority for the estate's bank account(s) must be approved by the Director, Human Resources or by the Group Managing Director.

The Human Resources Department shall maintain a register of the digital annual declarations of conflict of interest by all staff and any guidance or decision made in relation to the declared interests. The digital forms (available via the intranet) shall be submitted by a date to be determined and communicated to all staff by the HRD.

12. Social Responsibility and Commitment to the Environment

NIC Group is committed to running the business in an environmentally sensitive manner. Environmental risks or opportunities that may arise out of our operations should be identified and managed in accordance to the various laws, regulations and guidelines that regulate NIC Group in the respective countries it operates. The Group, through its Marketing, Communications and Citizenship office, will participate in environmental protection initiatives in conjunction with government bodies, Non-Governmental Organisations and other private businesses. Employees are encouraged to support environmental protection activities individually or collectively.

NIC Group, through its Board of Directors, commit to undertake sustainability reporting as per the various laws, company policies & procedures and regulations providing for sustainability reporting including the NIC Group Environmental and Social Management System Policy and Procedures Manual, Capital Markets Authority (CMA) Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015, the Companies Act, 2015 and such other guidelines and recommendations as may be issued from time to time by relevant industry bodies such as the Kenya Bankers Association (KBA) where applicable.

NIC Group takes cognisance of the fact that its sustainability and success is dependent upon the environment and the communities in which it operates. The Group policy is to ensure that its activities meet and exceed the social, economic and environmental expectations of its stakeholders.

Although NIC Group's Social Responsibility initiatives primarily target education, environment and financial literacy, the Group continually realigns this to create a unified team, strategy and business plan. Employees and other stakeholders are therefore encouraged to actively participate in Social Responsibility initiatives.

13. Anti-Money Laundering Compliance/Know Your Customer

Money laundering is a problem of global proportions with potentially devastating consequences. It is the process of converting illegal proceeds so that funds are made to appear legitimate, and it is not limited to cash transactions. The Group takes seriously its obligation to join with governments, international organisations and other members of the financial services industry to help close off the channels that money launderers use. As an employee of NIC Group, you must follow the existing Proceeds of Crime & Anti-Money Laundering Act, Prevention of Terrorism Act plus regulations and internal Anti-Money Laundering policies and procedures pursuant to these laws and guidelines. The Group will ensure all employees are trained on AML policies and procedures within six (6) months of being employed.

14. Corporate Governance, Risk Management & Compliance, Audit and Internal Controls Frameworks

All employees are responsible for managing risks within their areas of responsibility and complying with the Group's Risk Management and Compliance Policies and Procedures.

Corporate governance is the system of rules, practices and processes by which a company is directed and controlled. Corporate governance essentially involves balancing the interests of a company's many stakeholders, such as shareholders, management, customers, suppliers, financiers, government and the community.

Corporate Governance involves the manner in which the business and affairs of an institution are governed by its board and senior management and provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined.

Corporate Governance activities ensure that critical management information reaching the executive team is sufficiently complete, accurate and timely to enable appropriate management decision making, and provide the control mechanisms to ensure that strategies, directions and instructions from management are carried out systematically and effectively.

Risk Management is the set of processes through which management identifies, analyses, and where necessary responds appropriately to risks that might adversely affect realisation of the organisation's business objectives.

The response to risks typically depends on their perceived gravity, and involves controlling, avoiding, accepting or transferring them to a third party.

Compliance means conforming to stated requirements. At the Group level, it is achieved through management processes which identify the applicable requirements, (defined for example in laws, regulations, contracts, strategies and policies), assess the state of compliance, assess the risks and potential costs of non-compliance against the projected expenses to achieve compliance, and hence prioritise and initiate any corrective actions deemed necessary.

Audit is a systematic and independent examination of books, accounts, statutory records, documents and vouchers of an organisation to ascertain how far the financial statements as well as non-financial disclosures present a true and fair view of the concern.

Internal Controls is a process for assuring achievement of an organisation's objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations and policies.

Board of Directors shall adhere to the Corporate Governance principles outlined in the Companies Act 2015, Capital Markets Authority (CMA) Code of Corporate Governance 2015, Central Bank of Kenya (CBK) Prudential Guideline on Corporate Governance CBK/PG/02 and any other governance principles stipulated in the various laws and regulations affecting the Group.

As an employee of NIC Group you must adhere to the Group's Governance, Risk and Compliance Policies and Procedures. The Group will ensure all employees understand their roles and responsibilities pertaining to its risk management program.

15. Telephone Voice Records

The Group may in an effort of ensuring customer service efficiency and/or retaining information, or in adherence to various local and international regulations, record and maintain telephone conversations of specific departments and telephone extensions.

16. Consumer Protection Guidelines

All members of staff shall read, be conversant with and adhere to any prevailing laws, regulations and/or guidelines relating to consumer rights that may be adopted or advised by law and/or by the Group's regulators or the Group's policies.

Customer complaints and disputes must be dealt with swiftly to ensure the Group's good reputation is maintained. Disputes not resolved will be referred to the internal Alternative Disputes Resolution mechanism for final arbitration.

17. Applicable Laws

The laws, regulations and guidelines that govern NIC Group in the respective countries it operates within shall complement and apply to this code of conduct and all parties to the code are expected to know and comply with these laws and regulations at all times.

Your Personal Commitment to the NIC Group Code of Conduct & Ethics

For All Employees:

I acknowledge that I have read the NIC Group Code of Conduct and Ethics and understand my obligations as an employee to comply with the principles, policies and laws outlined in the Code including any amendments made by NIC Group. I understand that a current copy of the Code of Conduct and Ethics is posted on public folders of the NIC Group Intranet and on the Group's website (www.nicgroup.com).

I understand that my agreement to comply with the Code of Conduct and Ethics neither constitutes nor should be construed to constitute either a contract of employment for a definite term or a guarantee of continued employment.

FOR NEW EMPLOYEES:

Please sign here Date

Name Staff Number

A copy of the signed and completed form must be returned to Human Resources within 15 days of receiving this booklet. Failure to do so will not however affect the applicability of this Code of Conduct and Ethics or any of its provisions to you.





NIC Bank

Head Office

NIC House, Masaba Road

P.O. Box 44599 – 00100 GPO Nairobi

Tel: +254 711 041 111/(020)2888000

+254 732 141 111

Email: customercare@nicgroup.com

  [nicbankkenya](#)

Website: www.nicgroup.com