



## **Code of Ethics and Business Conduct**

**March 2015**

Version 1.0

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## **DEFINITIONS**

**Access person:** For the purpose of this code, all employees of Britam are considered Access Persons. Access Persons may also include consultants or temporary workers (including interns) who have direct or indirect access to sensitive information.

**Agent:** This is an employee who acts for, or in the place of Britam, by authority from Britam.

**Advisory Client or Client:** An entity or individual that has signed an agreement with Britam for the provision of discretionary or non-discretionary investment management services.

**Britam:** Britam Holdings Company (K) Limited and all its subsidiaries.

**Business Partners:** Parties, such as agents and consultants, who represent Britam to the public.

**Consultant:** An individual or organization providing professional services to Britam.

**Entertainment:** An event where a business contact, counterparty or vendor is present with the employee and where business matters can be discussed.

**Holding Company:** Britam Holdings Company (K) Limited.

**Gift:** Anything of value that is received and/or offered from/to a business contact, vendor, counterparty or regulatory body.

**Supervisor:** Any employee who has one or more other employees who report to him or her.

**Sensitive information:** includes, but is not limited to: client or trade (Britam or personal) information, non-public information per the Insider Trading policy set out within this Code, litigation and any information that the consultant(s) or temporary worker(s) direct supervisor reasonably believes should be determined to be sensitive. It is the responsibility of the employee with direct supervision of a consultant(s) or temporary worker(s) to determine whether the consultant or temporary worker has direct or indirect access to sensitive information; and to notify the Risk and Compliance Department upon the hire and termination of the temporary worker(s) and consultant(s).

## **4 CODE OF BUSINESS CONDUCT**

This document discusses general standards of Business Conduct that must be followed. Any Britam's Access Person who has knowledge of, or in good faith suspects, a violation of any of these laws, regulations or policies must report them promptly to the Risk & Compliance Manager, HR Manager and Legal Manager assigned to their business.

All Britam staff including all its subsidiaries are required to sign the Staff Code of Business Conduct Compliance Statement on appointment and thereafter annually.

### **4.1 Access Person Privacy**

Britam respects the personal information and property of Access Persons. Access to personal information or Access Person property is only authorized for appropriate personnel with a legitimate reason to access such information or property. Nonetheless, from time to time, Britam may access and monitor Access Person internet usage and communications. Subject to applicable laws, the Access Persons shall have no expectation of privacy with regard to workplace communication or use of Britam information technology resources.

### **4.2 Release/Disclosure of Information to Third Parties**

An Access Person must not disclose any information concerning Britam, and any Associate Companies or its Access Persons, or release any official document to unauthorized persons not connected to Britam unless he is required to do so in the course of duty. However such disclosure must be authorized by the Group Managing Director/Managing Directors. Any Information you obtain because of your position in Britam is also confidential and this obligation applies to you even after you leave the Holding Company, for as long as the information remains confidential and is not generally available to the public.

### **4.3 Customer Privacy and Data Security**

Britam has developed and implemented an IT and Data Security policy for all Access Persons and all its subsidiaries are expected to adhere to this policy while carrying out their roles. In line with this policy all Access Persons are expected to follow the following guidelines when handling Advisory Clients/Clients personal information or business data.

Britam clients expect us to carefully handle and safeguard the non-public business and personal information they share with us. Access Persons must never compromise Clients' trust by disclosing private information other than to those with a legitimate business need to know.

The classification of information as personal information or business data may differ by country. Access Persons who handle customer information are responsible for knowing

and complying with applicable information and privacy information security laws. In all cases we must maintain appropriate physical, administrative and technical safeguards for personal information and business data.

Access Persons must be especially vigilant in following laws, regulations and policies when transferring personal information and business data across country borders. Access persons should raise any questions about information privacy and/or data security they have to the Immediate Supervisor, IT Manager or Legal Manager & Risk & Compliance Manager.

#### **4.4 Relations with Business Partners and Suppliers**

Britam's business partners serve as extensions of the Holding Company. When working on behalf of Britam, business partners are expected to adhere to the spirit of the Code, and to any applicable contractual provisions. Access Persons must all ensure that business partners do not exploit their relationship with Britam or use Britam's name in connection with any fraudulent, unethical or dishonest transaction.

Britam considers that an efficient process in the acquisition of goods and services, especially in large business corporations, is a relevant source of value creation. Britam greatly values those suppliers that share not only the principles of this Code, but also to any applicable contractual provisions.

All Access Persons must comply with Britam's policies governing the acquisition of goods and services, so that such activity conforms to the following principles:

- 1) To the extent possible, to promote multiplicity of goods and services providers, whose business terms are suitable, at any time, to Britam's needs and requirements.
- 2) Ensure that the acquisitions of goods and services reconcile the attainment of the most advantageous conditions in each transaction, with the maintenance of the value attributed to sustained relationships over time with certain strategic suppliers.
- 3) Ensure the objectivity and transparency of decision-making processes, avoiding situations that could affect the objectivity of the persons participating in such processes.

#### **4.5 Gift Policy**

Modest Gifts and appropriate entertainment can help strengthen business relationships but these business courtesies, whether given or received by Britam's Access Persons, must never improperly influence business decisions or bring about the improper performance of a Relevant Function or Activity. Accordingly, it is best practice to monitor

the offer and receipt of Gifts and/or Entertainment. In all matters related to Gifts or Entertainment, it is the responsibility of the Access Person to exercise good judgment.

Access Persons must not accept gifts, benefits, compensation or consideration that competes with, or might reasonably be expected to create a conflict of interest with, their employer's interest unless they obtain written consent from all parties involved.

The below requirements related to Gifts and Entertainment apply in all the respective regions; however applicable thresholds and reporting procedures may exist in certain jurisdictions. Access Persons must not offer, solicit, or accept any gift, benefit, compensation, or consideration that reasonably could be expected to compromise their own or another's independence and objectivity.

#### *4.5.1 General Guidelines:*

Offering and/or accepting Gifts and Entertainment is appropriate provided there is a business purpose, the expenses incurred are ordinary and necessary and the Gifts or Entertainment falls within this Code and all relevant laws and regulations. Special care must be taken when providing Gifts and Entertainment to officials or employees of governments or government-owned or controlled enterprises or other officials who hold legislative, administrative or judicial positions. When providing Gifts or Entertainment to government officials or employees government-owned or controlled enterprises, you are required to abide by applicable laws and Britam's Anti Money Laundering policies. Access Persons should:

- 1) Never allow business Gifts and Entertainment, whether given or received, to improperly influence business decisions or bring about the improper performance of a relevant function or activity;
- 2) Remember if the donor is not present, then the Entertainment is subject to Gift policies;
- 3) Respect local and cultural sensitivities when exchanging business Gifts and Entertainment;
- 4) Never provide or accept extravagant Gifts or lavish Entertainment that are above Kshs15,000.
- 5) Ensure that Gifts and Entertainment are reasonable, ordinary, in good taste, customary and lawful in the country or region where they are exchanged;
- 6) Never offer or receive anything that could be considered a bribe or other improper payment or Gift;
- 7) Never offer or accept cash or cash equivalent (i.e. gift vouchers) in any amount;
- 8) Never solicit Gifts, favors or Entertainment.
- 9) Suppliers and potential suppliers should be aware that an Access Person should only

accept a gift or benefit if it complies with the principles contained in the policy. Access Persons who have questions regarding this policy or who are uncertain as to whether a conflict of interest exists should confer with their supervisor and the Risk Compliance Manager.

#### *4.5.2 Principles for acceptance of gifts/benefits*

A gift or benefit may be accepted only if it complies with all of the following principles:

- 1) It does not influence, or have the potential to influence, an Access Person in such a way as to compromise or appear to compromise integrity and impartiality or to create a conflict of interest or perception of conflict of interest; and
- 2) The obligation or potential obligation implied in acceptance or giving of gifts or benefits of all values and types has been discussed with line manager; and
- 3) Rejection of or not offering the gift could cause offence especially during the festive season.

#### *4.5.3 Principles for non-acceptance of gifts/benefits*

The gift or benefit may not be accepted or given if any of the following principles apply:

- 1) It is intended or is likely to cause the recipient to act in a partial manner in the course of their duties; or
- 2) The donor or reasonable observer would apprehend that the recipient may be under obligation to the donor; or
- 3) It is not offered openly; or
- 4) It is an offer of money or anything readily convertible to money for example, shares.

#### *4.5.4 Gift register*

All gifts must be declared within 5 days of receipt to the Human Resources Manager and a gift register shall be maintained. The register will indicate the description of the gift, value, name of donor, name of recipient and reason for accepting or declining the gift must be recorded in the register.

- 1) Gifts or benefits with a fair value of Kshs. 15,000 and below may be retained by the recipient for personal use.
- 2) Gifts or benefits with a fair value of more than Kshs.15,000 shall be forwarded to the HR manager who shall decide on its disposal.
- 3) A thank you note shall be prepared by the Recipient to the donors.

#### **4.6 Improper payments**

You must not give bribes, kickbacks or similar payments to any person or entity for the purpose of obtaining or retaining business for Britam or for any other reason relating to Britam. In addition, nothing should be given, or promised to be given, which could be construed as improperly influencing the decision of government or political employees, officers or candidates. This prohibition also prevents the use of intermediaries to give, or promise to give, anything to such people on behalf of Britam or yourself.

#### **4.7 Fraud and accurate records**

All Access Persons must be vigilant in identifying and reporting fraudulent activities or any suspicion that fraudulent activities exist. Fraudulent activities are acts or omissions deliberately committed to gain personal advantage that cause loss or damage to Britam. They can include gaining advantage for others, not only for the person who carries out the fraud. To maintain proper business practices and prevent fraudulent activities, Britam insists that its companies maintain precise and accurate company records and accounts. These must be kept and presented in accordance with all the applicable laws, standards and regulations. Records of gifts and entertainment received or given must be maintained with any related expenses fully documented and business purpose clearly stated. No undisclosed or unrecorded funds or assets may be maintained or established for any purpose and no more than one set of books shall be maintained. No false or artificial entries should be made in any accounts.

If an Access Person purchases or sells, directly or indirectly, a Security or commodity which is held or is to be acquired by an Advisory Client, the Access Person may not:

- 1) Employ any device, scheme or artifice to defraud an Advisory Client;
- 2) Make any untrue statement of a material fact or omit to state to an Advisory Client, a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading;
- 3) Engage in any act, practice or course of business which would operate as a fraud or deceit upon an Advisory Client; or Engage in any manipulative practice with respect to such an Advisory Client.

#### **4.8 Anti Money Laundering**

Access Persons are required to abide by the anti-money laundering framework established by Britam. Britam is committed to meeting its responsibilities to help prevent money laundering and terrorist financing. These responsibilities generally include identifying clients, monitoring client activity and reporting suspicious or unusual activity consistent with applicable laws.

#### **4.9 Brand protection**

Britam considers the protection of its brand to be of paramount importance and central to its success. It is every Access Person's obligation to take all possible steps to prevent others from violating its exclusive rights to use our brand. If the Access Person is aware of any person or entity copying or exploiting any unique aspect of its brand they should immediately contact the Legal Department.

#### **4.10 Communicating with Regulators, Media and Other Government Officials**

If an Access Person is contacted by a representative of a government agency or a media house seeking an interview or making a non-routine request for documents, they should refer such person to the respective Managing Director and/or the Group Corporate Affairs department unless they have been specifically authorized to speak.

Inquiries from regulators- outside the normal course of Britam's regulatory relationships- must be reported immediately to the Risk & Compliance Manager for the business before a response is made. Responses to regulators must contain complete, factual and accurate information. During a regulatory inspection or examination, documents must never be concealed, destroyed or altered nor should lies or misleading statements be made to regulators. Requests from auditors are subject to the same standards.

#### **4.11 Performance of Duties**

All Access Persons will perform their duties diligently, efficiently and honestly in a manner that maintains the public confidence in the integrity of the staff. Access Persons will behave with integrity and shall provide service and advise which is honest and impartial.

#### **4.12 Professionalism**

All Access Persons will treat their colleagues, clients and the general public with respect and courtesy. Access Persons will also observe official working hours and utilize working hours in a manner that is value adding to Britam.

Access Persons will maintain the highest level of confidentiality on information they come across in the performance of their duties.

Access Persons will readily apologize when they make a mistake and endeavor to rectify the mistake. They shall also be friendly and responsive to the needs of clients and stakeholders and maintain good working relationships.

#### **4.13 Rule of Law**

All Access persons shall carry out their duties in accordance with the law and will not violate the rights and freedoms of any person.

#### **4.14 Safeguarding Company Resources**

To best serve our clients and shareholders, it is vital that we demonstrate proper care and use of our resources.

##### **1. Physical Property**

Britam's property, including real estate, equipment and supplies, must be protected from misuse, damage, theft or other improper handling. Generally, Britam's property is meant solely for the company's business, though incidental personal use, such as local telephone calls, appropriately limited personal use of e-mail, minor photocopying or computer use is permitted.

##### **2. Intellectual Property**

Britam's intellectual property consists of any business ideas or information that the company owns, such as unique products and methodologies. Britam protects its intellectual property through patents, trademarks and copyrights. Access Persons are required to safeguard confidential information and trade secrets belonging to Britam and its business partners. All products, research methodologies and reports developed while in employment, remain the property of Britam after the Access Person leaves the organization.

##### **3. Funds**

Britam's Funds are to be used responsibly and solely for the company's business. Access Persons have a responsibility to safeguard Britam's funds from misuse or theft and ensure that the company receives good value when spending the funds. We should only seek reimbursement for actual, reasonable and authorized business expenses.

##### **4. Information Technology Systems**

Britam's information technology systems include computers, networking resources, e-mail systems, telephone, voice systems and other computer-processed information. Each Access Person has a responsibility to protect these systems and the data resident on these systems, from improper access, damage or theft.

Subject to applicable laws, Britam may have the right to review all electronic mail and other electronic information to determine compliance with this Code, laws, regulations or the Company's IT and data policy. All electronic information, including without limitation e-mails, instant messages, and voicemails sent or received from the Company's computer, mobile phone or work station may be subject to review.

The electronic mail system is Britam's property and is intended for business purposes. Occasional, incidental, appropriate personal use of the e-mail system may be permitted if the use does not interfere with any Access Person's work performance, have undue impact on the operation of the e-mail system, or violate any other Britam policy, guideline or standard.

E-mail messages and any other communications sent or received using Britam's information technology systems are not to be used to create, store, or transmit information that is hostile, malicious, unlawful, sexually explicit, discriminatory, harassing, profane, abusive or derogatory. These systems also are not to be used to intentionally access websites which contain illegal, sexually explicit or discriminatory content.

#### **4.15 Conduct of Private Affairs**

All Access Persons shall conduct their private affairs in a way that maintains public confidence and integrity in the offices that they hold. Access Persons who are liable to taxes shall not evade taxes and shall not neglect to settle any of their financial obligations. For avoidance of doubt, where an Access Person feels that the activity they are involved in maybe contrary to Britam's policy, they should declare it to the Human Resources Department for guidance.

#### **4.16 Whistleblower Protection Policy**

Britam must adhere to all applicable laws and regulations and the Whistleblower policy. The support of all Access Persons is needed to assist Britam in achieving compliance with applicable laws and regulations.

All Access Persons are required to read Britam's Whistleblower policy and ensure they are in compliance.

#### **4.17 Political Involvement**

Access Persons are free to exercise the right to make political contributions within legal limits, unless such a contribution is otherwise prohibited by other policies of Britam. Britam will not reimburse any Access Person for political contributions, and Access Persons 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 an Access Person which might appear to be an endorsement or contribution by Britam must be approved in advance by the Group Managing Director. Access Persons must not use Britam's resources to seek any public office and must not solicit contributions on Britam's property.

Contacting government agencies or legislative bodies and certain advertising and public relations activities may be considered lobbying and may have reporting or financial consequences to Britam.

#### **4.18 Recruiting and Hiring Staff**

In general, Britam's recruitment processes will be open to allow access to the maximum number of suitably qualified people that can apply for a particular job. The processes will be developed in accordance with objective assessment methods, taking into consideration their professional qualifications and skills.

The persons responsible, directly or indirectly, for recruiting and/or hiring staff will make their decisions and will act without the influence of factors that could alter their objective judgment in conformance with the criteria established for Britam's recruitment and hiring procedures.

#### **4.19 Managerial Style**

Britam encourages teamwork as part of its strategy to generate value, promoting an environment of trust based on open relationships, mutual respect and support, and free-flowing communication as a critical element in the integration of its professionals. Britam encourages individual creativity and promotes responsible decision making, which entails the possibility of error.

#### **4.20 Personal and Professional Development**

The personal and professional development of all its Access Persons is on Britam's business objective. The promotion of Access Person's is based on equal opportunities and on the recognition of individual merit and abilities that are assessed through evaluations of their skills and performance. In complying with these commitments, Access Person's in supervisory positions must:

- 1) Inform their staff of the critical aspects necessary for the proper performance of their activities.
- 2) Identify their staff's training needs.
- 3) Allow their staff to attend training programs and to benefit from such training activities.
- 4) Strictly and objectively carry out periodic performance evaluations.

#### **4.21 Health and Safety Environment in the Workplace**

Ensuring an environment free of risks to individual's health in all of its offices is an objective that Britam accomplishes by adopting policies and procedures that are based on applicable legal and regulatory requirements. These policies and procedures are widely disseminated and incorporated in the corresponding Holding Company entities' through

continuous training programs. Nonetheless, to be effective, all Access Person's must demonstrate a positive, proactive attitude in order to protect:

- 1) Their own safety against hazards that could threaten their health as a result of their labor activities, adhering to applicable policies and recommendations.
- 2) The safety of all persons whose health could be affected as a result of their acts or omissions.
- 3) Britam considers that preserving a healthy environment at the workplace and achieving an optimal professional atmosphere of high productivity (as our customers and shareholders demand from us), are objectives inconsistent with consumption of illegal psychotropic substances and alcohol abuse. Any Access Person working under the effects of such substances will be subject to disciplinary action, as established in applicable policies.

#### **4.22 Market Manipulation**

Although the definition of market manipulation differs in each jurisdiction, Access Persons must bear in mind that any act or omission may be considered market manipulation if it was intended to directly or indirectly influence falsely on third parties' actions regarding certain assets or products traded or negotiated on such markets, and in particular:

- 1) Artificial alteration of the price of the assets or products.
- 2) Willfully and maliciously disseminating false or misleading information, including rumors, with the intention of inducing third parties to buy, sell or hold certain assets or products.
- 3) Participation in operations with the intention of altering fictitiously the market value of an organization's assets and liabilities, its liquidity or its ability to generate resources and profits.

#### **4.23 Dress code**

All Access Persons are required to adhere by the Dress Code policy that has been formulated by Britam. They are required to read it and ensure they are in compliance.

#### **4.24 Personal Conduct**

All employees shall at all times conduct themselves in a manner befitting the company's image. Individual's behaviour must be designed to benefit the interests, well-being and positive image of the company.

#### **4.25 Official Language**

Employees are expected to use appropriate business language at all times. All employees shall conduct themselves most respectfully and responsibly at all times both at work and away from work.

#### **4.26 Harassment**

All employees shall be required to behave in a respectable manner towards each other. Harassment of any nature, racial, tribal or sexual will lead to disciplinary action.

1. Every employee is entitled to employment that is free of sexual harassment and the Company shall take steps including disciplinary action to ensure that no employee is subjected to this form of harassment.
2. Sexual harassment occurs when one employee makes continued, unwelcome sexual advances, requests for sexual favours, and other verbal or physical conduct of a sexual nature, to another employee, against his or her wishes and this contains an implied or express:
  - Promise of preferential treatment in employment
  - Threat of detrimental treatment in employment
  - Threat about present or future employment status
3. Grievances of this nature will be directed to the HR Department or individual Line Managers whichever is deemed to be convenient for the complainant. Where the individual feels the need to escalate the issue, this should be directed towards the HR Director.
- 4) All such complaints will be treated with utmost confidentiality and the aggrieved employee will be fully protected by the Company. However, where disclosure is necessary for purposes of investigation the complainant maybe required to disclose their identity.

#### **4.27 Political and Religious Conduct**

The Company disassociates itself from any political or religious activity, which incites extremism or challenges our commitment to cultural diversity and equal opportunity.

#### **4.28 Alcohol**

1. Drunkenness at work is considered a serious misconduct. Excess consumption of alcohol during non-working hours can also have a negative effect on performance at work. The effects of excessive alcohol including hangovers at work can lead to inattention to detail, mistakes, inefficiencies, accidents, injuries and friction with other employees. Employees whose drinking either intermittently or continual, repeatedly interferes with their work capability or conduct, may be subject to appropriate disciplinary measures.
2. Drunkenness at the work premises at any time is a serious offence and is subject to appropriate disciplinary measures. This shall also include drunkenness during company functions. Any misconduct reported as a result of drunken behaviour will be dealt with appropriate disciplinary measures and may result to termination of employment.

3. Anyone considered incapable of performing their duties safely and competently due to alcohol consumption, or suspected alcohol consumption will immediately be removed from duty by their supervisor and HR Department will be consulted for further disciplinary measures.

#### **4.28 Discrimination**

Employees shall not discriminate, either directly or indirectly on grounds of race, colour, gender, disability, religion, ethnic or social origin, political or other opinion, nationality, pregnancy, mental status, medical status or HIV status. Any case of discrimination will lead to disciplinary action.

#### **4.29 Non-Fraternization**

All Access Persons are required to adhere by the Non-Fraternization policy that has been formulated by Britam. They are required to read it and ensure they are in compliance.

The policy states that managers, supervisors or any other employee who has the authority to directly or indirectly affect the terms and conditions of another's employment shall not fraternize with that employee.

#### **4.29 Enforcement of the Code of Conduct**

It is also the responsibility of all employees to comply with the Code of Conduct. The standards set out in the Code of Conduct are general in nature and do not purport to address each and every situation that may confront employees. In difficult or uncertain situations, it is your responsibility to ask for guidance. If you have questions regarding the standards set out in the Code of Conduct or the application of its application to a particular situation, these concerns should be raised immediately with your Line Manager.

It is the obligation of all employees to report violations or suspected violations of law or the standards set out in the Code of Conduct. If you have knowledge of a violation or suspected violation of any Law or the Code of Conduct, contact your Line Manager or the HR Department.

All communications regarding violation by others shall be kept confidential, unless otherwise required by law, and may be made without concern of retribution. The standards set out in the Code of Conduct will be strictly enforced. Violations will be dealt with severely and in certain circumstances, could result in termination of employment.

**Appendix:**

**I. APPLICABLE LAWS, REGULATIONS, GUIDELINES AND BRITAM POLICIES**

- 1 International standards on combating money laundering and the financing of terrorism and proliferation (Financial Action Task Force recommendations)
- 2 Britam Anti Money Laundering Framework
- 3 Britam Whistleblower Policy
- 4 Britam Insider Trading policy
- 5 Britam Dress Code Policy
- 6 Britam Staff Manual
- 7 Britam Non- Fraternization Policy

**I. COMPLIANCE STATEMENT**