

Safaricom Conflict of Interest Policy

Issued by the Board of Directors
Effective Date: 18 January 2019

Purpose

Through this policy, we:

- ✓ Confirm our dedication to the principles of ethical and lawful business conduct.
- ✓ Aim to help all Board members, employees and business partners (Relevant Persons) to recognize and deal with situations that may give rise to or be perceived to be a conflict of interest.
- ✓ Document the process for the disclosure and review of potential, actual or perceived conflicts of interest.

A **conflict of interest** exists when a relevant person gives preference to their personal interests whereas their duties and responsibilities to Safaricom should come first.

Policy Application

- ✓ This is a mandatory policy applicable to Board Members, Safaricom Employees and all suppliers, consultants and other business partners (Relevant Persons.)
- ✓ Our business partners should put in place policies to ensure that the conduct of their employees do not violate the business partners' obligations under this policy.

Relevant persons should seek guidance from Safaricom's HOD Ethics and Compliance Department when unsure of how to act in each situation.

Board members should seek guidance from the Chief Corporate Security Officer when unsure of how to act in each situation.

Responsibilities

- ✓ **Ethics Committee:** Approval of this policy and mitigation of high-risk conflict of interest.
- ✓ **Chief Corporate Security Officer:** Recommends policy changes to this policy, providing a mechanism for the Relevant Persons to declare conflicts, evaluation of declarations, ensuring training on this policy is done and making recommendations for high-risk conflicts of interest.
- ✓ **Employees:** Avoiding, declaring or mitigating any actual or potential conflicts of interest. Attend scheduled ethics training and report any conflicts of interest or ethics related issues in accordance with the whistle blowing policy.
- ✓ **Business partners:** Avoiding, declaring or mitigating any actual or potential conflict of interest. Attend scheduled ethics training and report any conflicts of interest or ethics related issues in the whistleblowing policy.

Breach of this policy

We deem the following actions as violations to this policy:

- ✓ **Failure to declare a conflict of interest:** We emphasize that all actual and potential conflicts of interest must be declared. Where no conflicts exist, Nil returns must be done.
- ✓ **Making a false declaration:** We encourage all declarations to be made in good faith and must be truthful and complete.
- ✓ **Failure to avoid conflict of interest:** We ensure that our employees do not make decisions regarding their family members. Such decisions are escalated to their line manager. We avoid conflicts that cannot be mitigated, especially where our integrity and reputation is affected.

Whistleblowing



Employees may report a conflict of interest noted to their reporting manager or the Chief Officer of their division or directly to the CEO



Business partners should report a conflict of interest noted to the Chief Officer responsible for the Division serviced or directly to the CEO

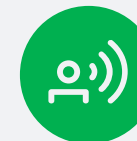


Anonymous and confidential reporting by telephone through our anonymous toll-free **Ethics Hotline - 0800720009** which is independently operated by Deloitte South Africa.



By email to safaricom@ethics-line.com

Website at www.safaricomethicsline.com



We have developed a **Declaration Form** for our employees to make their business and family conflict declarations.

We also have an ethics help desk where declarations can also be made on email
Integrity@Safaricom.co.ke

Most common sources of conflict of interest

Family Relationships

- ✓ We require all relevant persons to declare instances where their family work within Safaricom or a subsidiary.
- ✓ Board members and employees are required to declare where their relatives work for a business partner or a competitor whether permanent or otherwise.
- ✓ The Ethics Committee shall provide guidance where a family relationship is considered high risk.

Outside Engagements

- ✓ Our Board members and employees are required to declare their business interests that may give rise to conflict of interest.
- ✓ We require that all companies and individuals intending to do business with us to complete a relationship declaration during onboarding. A Nil return should be made where no relationship exist.

Hobby and Talent Management

- ✓ We may engage our employees to provide services that are not part of their job description, such as photography, master of ceremony services, consultancies, advertisement and modelling for free or at a fee.
- ✓ We emphasize to our employees that such engagements should not jeopardize their official duties

Insider Trading

- ✓ We prohibit all relevant persons from using for their benefit, privileged information obtained by virtue of their relationship with Safaricom and is not publicly available.
- ✓ We have developed an Insider Trading Policy to guide all relevant persons on their responsibilities towards insider trading.

Public Service or Political Office

- ✓ We require our employees wishing to vie for any political office to make declaration in writing to their **Head of Department** or the relevant **Chief Officer** and seek clearance from the Ethics Committee **before** making a public declaration.
- ✓ We prohibit our employees from acting as official, advisor or consultant to any Government agency with **regulatory power over Safaricom.**

Corporate Business Opportunities

- ✓ We prohibit our Board members and employees from using their position for personal gain or for the benefit of their family or friends.

Consensual Intimate Relationships

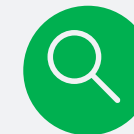
- We have identified the following relationships that constitute a conflict of interest;
- ✓ A supervisor with his/ her direct report.
 - ✓ An employee with a Board member.
 - ✓ An employee with a business partner who they supervise or an employee in a department/ division working with the business partner.
 - ✓ A Board member and a business partner.

Gifts

- ✓ To avoid erosion of objectivity, we prohibit our employees and Board members from accepting/giving gifts or favors to/from current and potential customers and business partners.

We acknowledge that some conflicts may not be avoided and shall therefore be managed by declaration and mitigation. We have in place the following types of declarations for mitigation purposes:

- ✓ **Annual declarations:** Mandatory for all our employees and Board members.
- ✓ **Continuous declarations:** Requirement for our Board members and employees to make declarations as and when they arise.
- ✓ **Declarations during employee interviewing:** Declaration by interviewers whether they are related or are known to the candidates.
- ✓ **Declarations at employee onboarding:** Requirement for our new Board members and employees to make declarations during the onboarding process.
- ✓ **Declaration in tendering process:** Requirement for all tender evaluation and project steering committees to declare any conflict of interest relating to the participating suppliers.



Our Ethics Committee evaluates the risks posed in each declaration and may request for further measures to mitigate the risk