



**BRITISH AMERICAN TOBACCO KENYA PLC  
(‘the Company’)**

**CONFLICT OF INTEREST POLICY  
FOR NON-EXECUTIVE DIRECTORS**



## 1) **INTRODUCTION**

- 1.1 This Policy establishes a framework for identifying, disclosing, and managing conflicts of interest involving Non-Executive Directors.
- 1.2 This Policy shall be applicable to Board Non-Executive Directors and is intended to provide guidance to the Board and Directors when actual or potential conflicts of interest arise.
- 1.3 Every Non-Executive Director has a personal responsibility to know and follow this Policy, including reporting any known or suspected breaches of the same.
- 1.4 Adherence to the principles in this Policy is a condition for continued Board membership and service. A breach of this Policy may result in a Non-Executive Director being requested to resign from their role.

## 2) **OBJECTIVE**

- 2.1 The objective of this Policy is to:
  - a) Protect the integrity of Board decisions
  - b) Promote independence and objectivity
  - c) Ensure compliance with fiduciary duties
- 2.2 By accepting a Board position, each Non-Executive Director commits to act honestly, in good faith and in the best interests of the Company, avoiding actual, potential and perceived conflicts between the interests of the Company and their personal, professional or business interests.
- 2.3 Where in doubt about the provisions of this Policy, a Non-Executive Director shall seek clarification from the Chairperson of the Board, the Managing Director or the Company Secretary.

## 3) **DEFINITION OF CONFLICT OF INTEREST**

- 3.1 Conflict of Interest refers to a situation in which a person has direct or indirect private or personal interest in a matter which is sufficient to directly or indirectly influence or has the potential to directly or indirectly influence the objective exercise of his or her official or professional duties or the making of an impartial decision over the same or related matter.
- 3.2 Conflicts of interest therefore may arise where a Director or their family members such as a spouse, son, adopted son, step-son, son-in-law, daughter, adopted daughter, stepdaughter, daughter-in-law, father, step-father, father-in-law, mother, step-mother, mother-in-law, brother, step-brother, brother-in-law, sister or step-sister, sister-in-law, cousin, grandchild or spouse of a grandchild has private interests that could improperly influence the performance of the Director's official duties and responsibilities or where a Director uses their office for personal gain, or the gain of those family members.



- 3.3 The Company recognizes that it is not possible to foresee every situation that could give rise to real, apparent or potential conflict of interest. Examples of conflicts include but are therefore not limited to situations where a Director or his or her family member:
- a) has a financial interest in a customer, supplier, shareholder, creditor or debtor (examples may include employment by, a consultant to, a representative or agent for, a partner of, holding any office in or deriving any income from any entity doing or seeking to do business with the Company) that conflicts with the interest of the Company in any manner, and for avoidance of doubt, this does not apply in cases the Director has holdings of public quoted securities unless the Board views the interests to be material, and that the financial interest is considered likely to impair the objectivity of the Director concerned. Any holding of 5% or more of the voting shares of a company would be regarded as material; or
  - b) participates in managerial or consultation services to any outside concern that does business with the Company; or
  - c) receives compensation, gifts, favors, entertainment or other similar benefits from any outside concern, which does or seeks to do business with the Company; or
  - d) discloses or uses confidential, special or inside information of or about the Company for personal profit or advantage; or
  - e) has an opportunity to influence the Company's administrative or other material decisions in a manner that leads to personal gain or advantage; or
  - f) participates in deliberations or actions resulting in the purchase of goods or services from any organization in which the Director or his/her family member has a financial interest; or
  - g) participates in a recruitment exercise that involves a family member, close associate or friend.
- 3.4 A conflict of interest could be real, potential or perceived. A real or actual conflict of interest exists at the present time. A potential conflict of interest is reasonably foreseen to exist in the future, while a perceived conflict of interest is a situation where a conflict of interest could be perceived by a reasonable observer to exist, whether or not it is the case

#### 4) **GUIDING PRINCIPLES ON CONFLICT OF INTERESTS**

- 4.1 Directors are obliged to act in good faith and to use their best efforts to avoid situations where there is a likelihood of actual, potential or perceived conflicts between the interests of the Company and their personal, professional or business interests.
- 4.2 To ensure the highest integrity among the Directors and public confidence in the Company, Directors shall be required to disclose any circumstances that could give rise to potential or actual conflict of interest between their private activities and the business of the Company.
- 4.3 Directors shall be expected to observe any specific conduct requirements contained in the Standards of Business Conduct and applicable laws and regulations governing ethical behaviour and their professions, where applicable.



- 4.4 During the term of a Director's appointment, a Director may not (except with the prior consent of the Board) be directly or indirectly employed, engaged concerned or interested in, or hold any office in, any business or undertaking which competes with any of the businesses of the Company. However, this shall not prohibit the Director from holding (directly or through nominees) investments listed on a regulated securities exchange.
- 4.5 Directors are required to give notice of any conflict to the Board Chairman or Company Secretary for immediate consideration at the next Board meeting.
- 4.6 A Director must immediately notify the Company Secretary in writing of any interests that he or she may have in shares in the Company.
- 4.7 A Director should seek guidance from the Board Chairman or Company Secretary when unclear whether circumstances give rise to a conflict of interest.

## 5) **DISCLOSURE OBLIGATIONS**

- 5.1 Upon appointment and annually thereafter, each Director shall sign a statement in the form contained in Appendix 1 hereto, which affirms that such person:
  - a) has received a copy of this Policy;
  - b) has read and understood this Policy; and
  - c) has agreed to comply with this Policy.
- 5.2 Ongoing Disclosure: Directors shall disclose:
  - a) Any new conflicts, immediately
  - b) Any changes to previously declared interests
- 5.3 In addition to declaring any conflict of interest at each Board meeting, Directors shall upon appointment and annually thereafter declare any potential conflict of interest as per the provisions of this Policy.

## 6) **PROCEDURES FOR ADDRESSING CONFLICT OF INTERESTS**

- 6.1 **Disclosing the conflict and refraining from voting**
  - a) A Director shall disclose the nature and extent of a conflict and refrain from voting on a matter involving the conflict.
  - b) This disclosure shall be recorded in writing in the minutes of the Board or Committee meeting.
- 6.2 **Refraining from discussion**
  - a) If a conflict is of a minor nature, it may be sufficient for a Director who has disclosed his or her interest to remain at the Board or Committee meeting and to simply refrain from discussion on the matter.



- b) An interested person can only exercise this option with the permission of the Board or Committee as the case may be.

### **6.3 Recusal/ Exclusion**

If a conflict is substantial, the Board or Committee shall recuse or exclude the Director from those portions of the meeting where the matter will be discussed. If the conflict involves the Chairman of the Board, one of the Directors appointed by the Board, shall conduct that part of the meeting, and in the case of a Committee, the said Committee shall elect one of the other members to chair the meeting. In the unlikely event that the declaration of a conflict deprives the Committee of a quorum, such matter may be submitted to the Board for final decision making and/or appointment of an additional member for purposes only of dispensing with the relevant matter.

- 6.4 The Company Secretary shall ensure that the minutes of the Board or Committee meeting reflect how the conflict was managed.

## **7) GIFTS, HOSPITALITY AND OTHER BENEFITS**

- 7.1 The acceptance of gifts, hospitality or other benefits may have a real, apparent or potential influence on the objectivity of Directors in carrying out their official duties and responsibilities or that may place them under obligation to the donor.
- 7.2 As a general rule, Directors shall not accept gifts, monies, commissions, benefits, favours or other benefits or advantages except as set out in hereunder and in any relevant laws, regulations and policies.

## **8) GUIDING PRINCIPLES ON GIFTS, HOSPITALITY AND OTHER BENEFITS**

- 8.1 Gifts that the Company can give should be of modest value, as prescribed by the Company from time to time.
- 8.2 The Company discourages the acceptance of gifts by Directors. In this regard, a Director shall not in relation to the Company, accept gifts or inducements, including hospitality that may place him/her under an obligation.
- 8.3 In particular, Directors shall not:
  - a) Accept gifts, meals or entertainment, or any other favor, from any person if doing so might compromise, or appear to compromise, their ability to make objective decisions in the best interest of the Company.
  - b) Accept gifts in exchange for doing, or promising to do, anything for any person.
  - c) Ask for gifts from any person.
- 8.4 The Company does not consider as gifts:
  - a) nominal value items such as low-cost pens, key rings, or mouse pads, which are given occasionally;



- b) gifts of symbolic value, such as trophies and statues that are inscribed in recognition of a business relationship;
- c) any gifts within the ordinary bounds of propriety, a usual expression of courtesy or protocol and within the ordinary standards of hospitality;
- d) gifts whose value does not exceed such value as may be prescribed by the Company from time to time.

8.5 Under no circumstances can any bribe, kickback, or illegal payment or gift of cash or cash equivalents be made to any Director.

8.6 Except for fundraising for officially supported activities such as those relating to corporate social responsibility, Directors may not solicit gifts, hospitality, other benefits or transfers of economic value from a person, or company that has dealings with the Company.

## 9) REGISTER OF CONFLICT OF INTERESTS AND GIFTS

9.1 The Company Secretary shall maintain a register to record conflict of interests including gifts and entertainment given to or received from external parties by Directors.

9.2 The register shall be reviewed periodically by the Nominations and Governance Committee and shall be made available to the Board for review

## 10) BREACH OF THIS POLICY

10.1 If the Board or Committee has reasonable cause to believe that a Director has failed to disclose actual or potential conflicts of interest, or accepted a gift, hospitality or other benefit in contravention of this Policy, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

10.2 If, after hearing the response of the Director and making such further investigation as may be warranted in the circumstances, the Board or Committee determines that the Director has in fact failed to disclose an actual or potential conflict of interest or accepted a gift, hospitality or other benefit in contravention of this Policy, it shall take appropriate corrective action within its powers, including making a recommendation to terminate the Director's service.

## 11) RELATED POLICIES AND DOCUMENTS

- The Company's Articles of Association
- The Companies Act, 2015
- CMA Code of Corporate Governance Practices
- Standards of Business Conduct (SOBC)



## **12) POLICY REVIEW AND APPROVAL**

- 12.1 The Nominations and Governance Committee of the Board will review this policy at least once every two (2) years or more frequently as required to ensure it remains consistent with the Board's objectives and responsibilities.
- 12.2 The Nominations and Governance Committee will discuss any revisions that may be required and recommend any such revisions to the Board for approval.

**The Nominations and Governance Committee reviewed this Policy on 15<sup>th</sup> April 2026.**

**The Board approved and adopted this Policy on 24<sup>th</sup> April 2026.**



**APPENDIX 1**

**Director Conflict of Interest Statement/Attestation**

I, ..... of ID/Passport Number ..... serving as a Non-Executive Director of British American Tobacco Kenya plc (the Company), hereby attest to the following:

- 1) That I have received a copy of the Conflict of Interests Policy of British American Tobacco Kenya plc.
- 2) That I have read and understood the Policy and agree to comply with it.
- 3) That on this Form, I am disclosing other positions, circumstances and/or responsibilities that may cause conflicting interests to arise.
- 4) Other Directorships and substantial shareholdings:

I set out here below information on all other directorships and/or substantial shareholdings in any entity:

- 1) .....
- 2) .....

5) I will recuse myself from deliberations and decisions on transactions or arrangements that give rise to a conflict of interest: -

a) Professional, business or volunteer positions or responsibilities or personal relationships that might give rise to conflicts:

- 1) .....
- 2) .....
- 3) .....

b) Situations in which I am serving as a vendor, or I am employed by or consulting with a vendor of the Company or any of its subsidiaries:

- 1) .....
- 2) .....
- 3) .....



c) any other circumstances that could give rise to a conflict of interest that does not fall under the above two categories:

1. ....

2. ....

3. ....

6) In addition to filing a disclosure statement annually, I will disclose to the Board Chairman or the Company Secretary, any possible conflict of interest whenever it may arise.

**Signed:** ..... **Date:** .....