

## **1. PURPOSE**

The purpose of this Corporate Code of Ethics and Business Conduct (the “Code of Conduct”) is to set out the framework for decisions and actions in relation to transparent and ethical conduct within and by the Company.

The Code of Conduct underpins the Company’s commitment to integrity, transparency and fair dealing in its business affairs and duty of care responsibilities to all employees, partner organizations and other stakeholders. This document also sets out the principles covering appropriate conduct in a variety of contexts and outlines the minimum standard of behaviour expected from directors, managers, employees, and Representatives.

Watu Credit Limited is a dynamic and fast-growing non-bank finance company that offers asset financing primarily for two and three wheelers.

Our Company is built on five (5) core values which are ***Customer Focus, Empowerment, Integrity, Ownership and Respect***. They guide our conduct, behaviour and tone of voice.

Our achievement has been a consequence of our brand reputation and promise. It is up to all of us to uphold that reputation and exceed the promise. Integrity to us is more than avoiding litigation. It is about sustaining an organization where all stakeholders gain value. Ultimately, it is about each one of us knowing that we have done the right thing. This means treating each other fairly, respectfully, with dignity and decorum. This code of conduct therefore sets standards that we all have to live by.

In addition to this code, the Company has policies, procedures and processes that supplement it.

## **2. ACCOUNTABILITY**

### **Who is the Code of Conduct For?**

The Code of Conduct is applicable to all Board Members, Directors, Managers, Staff and representatives of Watu Africa (Watu Credit and other subsidiaries)

### **2.1 Managers**

Managers of the Company are responsible and accountable for:

- a. undertaking their duties and behaving in a manner that is consistent with the provisions of the Code of Conduct;
- b. the effective implementation, promotion and support of the Code of Conduct in their areas of responsibility; and
- c. ensuring employees under their control understand and follow the provisions outlined in the Code of Conduct.

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### 2.2 Employees

All employees are responsible for:

- a. undertaking their duties and behaving in a manner that is consistent with the provisions of the Code of Conduct;
- b. reporting suspected corrupt conduct; and
- c. reporting any departure from the Code of Conduct by themselves or others.

### 2.3 Representatives

Representatives are responsible and accountable for:

- a. the manner in which services are provided to the Company ensuring that behaviour is consistent with the provisions of the Code of Conduct;
- b. the effective implementation, promotion and support of the Code of Conduct in providing services to, and engaging with the Company; and
- c. ensuring employees under their control understand and follow the provisions outlined in the Code of Conduct.

## 3. PERSONAL AND PROFESSIONAL BEHAVIOUR

When carrying out your duties, you should:

- a. behave honestly and with integrity and report other employees who are behaving dishonestly;
- b. carry out your work with integrity and to a high standard and in particular, commit to the Company's brand reputation and brand promise;
- c. be aware of the national and international laws relating to the Company's activities and operate within the law at all times;
- d. follow all policies currently in place and those introduced by the Company from time to time; and
- e. act in an appropriate business-like manner when representing the Company in public forums.

## 4. DISCIPLINE

Watu Credit Ltd expects all employees and stakeholders to obey the set rules and regulations and carry out their contractual obligations in terms of the work assigned to them. It is also important for employees and Board Members to behave well and portray a positive image of the Company and themselves towards their colleagues, the shareholders, the public and the Company clientele. For this reason, the Company strives to impose discipline that fits the nature and circumstances of each code violation as per the Human Resources Policy.

Any external stakeholder who goes against the Company's rules and code of conduct will be subjected to actions including suspension or withdrawal of contract, blacklisting, or criminal charges.

## **5. CONFLICT OF INTEREST**

Watu Credit Ltd encourages all its stakeholders to always act in the best interest of the Company. This is in efforts to avoid conflicts of interest. A conflict of interest arises when an individual's personal activities and relationships interfere or appear to interfere with the individual's ability to act in the best interest of Watu Credit Ltd.

Conflicts of interest may arise out of a number of situations. These situations include but not limited to those listed below. Stakeholders are advised to avoid such situations at all times.

- Investing in or acquiring any direct or indirect financial interest in companies that Watu Credit Ltd has business relations with.
- Activities outside the Company interfering with an individual's performance at the Company.
- Engaging in business with the company e.g. motorcycle or three-wheeler dealerships, repair shops and auto mechanic services, insurance companies, as well as supply of other goods and services to the company either directly, through proxy businesses/companies or through close family relationships.
- Obtaining Asset Finance loans from Watu under false pretences/pseudo names or characters.
- Receiving cash, donations, gifts, hospitality or other favours that could influence an employee's or director's judgment in relation to business transactions.
- Receiving a personal benefit from any dealers, partners and/or stakeholders outside activity related to our responsibilities at the Company.
- Obtaining bribes or kickbacks in order to award a supplier of goods or services a contract.
- Obtaining bribes in order to overlook or breach company policies, procedures and standards by irregularly awarding contracts to less qualified candidates or to candidates who do not offer the best value for money to the organisation.
- Obtaining bribes in order to grant employment opportunities to underserving candidates or to bypass the best qualified candidates for less qualified ones.

Participation by a staff member in the procurement process, collection or evaluation of quotes, granting of tenders or the appointment of partners, stakeholders and dealerships where a husband, wife, blood relative, relative by marriage, family friend or business associate of the staff member has an interest or is involved as a third party.

You may often be the only person aware of the potential for conflict. It is your responsibility to avoid any conflict should it arise that could compromise your ability to perform your duties impartially.

In case of a perceived or actual conflict of interest, the individual employee or director must make a formal declaration prior to participating in the said activity and excuse themselves from any decision making involving the element of conflict.

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**6. PUBLIC AND MEDIA COMMENT**

Individuals have a right to give their opinions on political and social issues in their private capacity as members of the community. Employees must not make official comment on matters relating to the Company unless they are:

- a. authorised to do so by the Chief Executive Officer or Country Manager;
- b. giving evidence in court; or
- c. otherwise authorised or required to by law.

Employees must not release unpublished or privileged information unless they have the authority to do so from the Chief Executive Officer.

Any release of Company information that is provided outside the prior authorization of the Chief Executive Officer must be reported without delay to the Chief Executive Officer.

**7. USE OF COMPANY RESOURCES**

Requests to use Company resources outside core business time should be referred to management for approval. If employees are authorised to use Company resources outside core business times they must take responsibility for maintaining, replacing, and safeguarding the property and following any special directions or conditions that apply. Employees using Company resources without obtaining prior approval could face disciplinary and/or criminal action. Company resources are not to be used for any private commercial purposes.

**8. SECURITY OF INFORMATION/CONFIDENTIALITY**

Watu Credit Ltd respects and maintains the confidentiality of information and intellectual property rights of all the stakeholders and protects such information. In reciprocity, all stakeholders should not disclose any confidential or sensitive information about the Company, its business partners and affiliated companies to anyone inside or outside the company, except when required for legitimate business purposes.

All Company stakeholders are encouraged not to disclose non-public information to anyone outside the Company. This includes family, business partners and friends unless they have a business reason to know and it is intended to benefit the Company. However, even in such instances where you need to disclose such information for legitimate purposes, you are urged to take appropriate steps such as execution of a confidentiality agreement to prevent misuse of the disclosed information.

Employees are to make sure that confidential and sensitive information cannot be accessed by unauthorized persons. Sensitive material should be securely stored overnight or when unattended. Employees must ensure that confidential information is disclosed or discussed only with people who are authorized by the Company to have access to it. It is considered a serious act of misconduct to deliberately release confidential documents or information to unauthorized persons, and such action may incur disciplinary action.

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The Company's stakeholders are entreated not to disclose non-public information to others inside the Company. All stakeholders are obligated to protect the Company's non-public information at all times including outside of the workplace and working hours and even after employment ends.

In case you are aggrieved by anyone in the Company you may choose to remain anonymous when reporting the incidence. We however encourage aggrieved parties to identify themselves to facilitate communication. If you make your identity known, the investigators will take every reasonable precaution to keep your identity confidential, consistent with conducting a thorough and fair investigation. To help maintain confidentiality, avoid discussing these issues or any investigation with other employees.

If you become aware or suspect that a misconduct is being perpetrated by a director, employee or stakeholder of Watu, you are required to report the incidence using the Watu Whistle-blower mechanism. The mechanism provides for anonymous reporting in which case your identity will not be revealed except where there is need to provide evidence in a criminal proceeding.

All Company stakeholders are required to retain and discard Company's records in accordance with the legal record retention requirements. Stakeholders must abide by the legal requirements in relation to records disposal and retention. Failure to do so could subject the Company and stakeholders to litigation.

### **9. INTELLECTUAL PROPERTY/COPYRIGHT**

Intellectual property includes the rights relating to scientific discoveries, industrial designs, technology developments, trademarks, service marks, commercial names and designations, and inventions that are of value to the Company.

The Company is the owner of intellectual property created by employees in the course of their employment, unless a specific prior agreement has been made. Employees must obtain written permission to use any such intellectual property from the Chief Executive (or nominated equivalent) before making any use of that property for purposes other than as required in their roles as employees.

### **10. DISCRIMINATION AND HARASSMENT**

Employees must not harass, discriminate, or support others who harass and discriminate against colleagues or members of the public on the grounds of sex, pregnancy, marital status, age, race, nationality, descent, ethnic or religious background), physical or intellectual impairment, or sexual orientation.

Managers should understand and apply the principles of Equal Employment Opportunity.

**11. CORRUPT CONDUCT****11.1 Preamble**

Corrupt conduct involves the dishonest or partial use of power or position, which results in one person/group being illegally advantaged over another. Corruption can take many forms including, but not limited to:

- a. official misconduct;
- b. bribery, corruption and blackmail;
- c. unauthorised use of confidential information;
- d. fraud; and
- e. theft.

Corrupt conduct will not be tolerated by the Company. Disciplinary action up to and including dismissal will be taken in the event of any employee participating in corrupt conduct. In addition, the Company will report any instances of corrupt conduct to the relevant authorities, which may result in an offender, facing criminal prosecution.

**11.2 Permissible and Prohibited Payments**

The use of the Company's funds or assets, directly or indirectly, for any bribe, kickback, payoff, or similar purpose is strictly prohibited.

The Company's policy is to comply with all laws, including relevant international laws, which apply in the countries in which the Company has business activities. In countries where common practices might indicate acceptance of other standards of conduct, we will follow our own standards as laid down in this Code of Conduct.

**11.3 Permissible Payments**

The payment of all legal, normal, and reasonable discounts and allowances, commissions, fees, entertainment, sales promotion activity and the extension of services and other customary courtesies in the ordinary course of business, are permissible. It is essential that all such payments be recorded in the books and records of the Company, accurately and in a manner that truly reflects their actual nature including the circumstances under which any payment has been made.

**11.4 Political Contributions**

No employee is authorized to make any direct or indirect political contribution (including the use of the Company's property, equipment or other assets) of any kind, in any country, in the name of the Company, or utilizing funds of the Company.

Any requests for any kind of such contribution should immediately be reported to the Chief Executive Officer.

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**12. OCCUPATIONAL HEALTH AND SAFETY**

It is the responsibility of all employees to act in accordance with occupational health and safety legislation, regulations and policies applicable in the country and to use security and safety equipment provided. Specifically, all employees are responsible for safety in their work area by:

- a. following the safety and security directives of management;
- b. advising management of areas where there is potential issues in safety and reporting suspicious occurrences; and
- c. minimising risks in the workplace.

The Company believes that its employees are its most important asset and will do everything reasonably possible to ensure their health and safety in the workplace.

**13. ILLEGAL SUBSTANCES**

Company policy is to comply with all laws prohibiting or controlling the manufacture, sale, distribution, use, and possession of drugs and alcohol in the country. Reporting to work under the influence of drugs or alcohol or the use, possession, manufacture, sales, or distribution of illegal drugs in the Company's workplace or while on Company business is strictly prohibited.

**14. LEGISLATION**

It is essential that all employees comply with the laws and regulations of the countries in which the Company operates and where appropriate, comply with the international laws and regulations governing the Company's business activities. Violations of such laws may have serious consequences for the Company and any individuals concerned. Any known or suspected violation must be reported immediately to the Chief Executive Officer (or nominated equivalent).

Ignorance of the law is not an excuse for non-compliance. The Company will not excuse any breaches of the law or the ethical standards set out in this Code of Conduct.

**15. FAIR DEALING**

The Company aims to succeed through fair and honest competition and not through unethical or illegal business practices. Each employee should endeavour to deal fairly with the Company's Representatives, customers and other employees.

**16. CONTRACTS**

The Company's policy with respect to contracts is to have all substantial commercial transactions evidenced by complete and comprehensive written agreements. Oral contracts, brief letters of understanding, letters of intent, and "handshake deals" are discouraged. Where the Company has developed standard written contracts, employees should use those standard forms. Where no standard form exists, the Country Manager is to be consulted on the selection of legal counsel to advise on the form of contract required.

In cases when the nature of the transaction is minor or there is a need to act promptly, a comprehensive written contract may be precluded, but the terms are still to be documented in writing by way of a letter or written instruction. Those situations, however, should be minimized and fully documented.

**17. RESPONSIBILITIES TO INVESTORS**

The Company strives for full, fair and accurate disclosure of financial and other information on a timely basis.

**18. BREACHES OF THE CODE OF CONDUCT**

Employees should note that breaches of certain sections of this Code of Conduct may be punishable under local or international laws. Breaches of this Code of Conduct may lead to disciplinary action. The process for disciplinary action is outlined in Company policies and guidelines, relevant industrial awards and agreements.

**19. REPORTING MATTERS OF CONCERN**

Employees are encouraged to raise any matters of concern in good faith with their supervisor, the head of their department or with the Country Manager (or nominated equivalent), without fear of retribution. No retaliatory action will be taken or permitted against a person who, in good faith reports a suspected breach of the Code of Conduct (provided that person is not responsible for the breach).

END



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**APPROVALS**

Prepared by: Head of HR

Signature:  ..... Date: 8/03/2022

Approved by: Country Manager

Signature:  ..... Date: .....

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**ACCEPTANCE**

I .....do hereby accept to be bound by the terms as herein.

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**National ID No.:** \_\_\_\_\_ **PIN No.:** \_\_\_\_\_

**Copy to**      1.      Personnel File