



Guaranty Trust Bank (Kenya) Ltd

ETHICS POLICY

Version 6.0

GUARANTY TRUST BANK (KENYA) LIMITED

Risk & Compliance Unit

Table of Contents

NOTICE AND WARNING	3
Summary of Changes in this Version	Error! Bookmark not defined.
Document History	4
1.0 INTRODUCTION	5
2.0 OBJECTIVES OF THE POLICY	6
3.0 DEFINITIONS.....	6
4.0 SCOPE	7
5.0 POLICY STATEMENTS	7
5.1 Honesty and Integrity	7
5.2 Prohibited Payments.....	8
5.3 Gift Items.....	8
5.4 Facilitation Payments	9
5.5 Special Discounts	9
5.6 Conflict of Interest	9
5.7 Third Parties	10
5.8 Charitable Donations and Corporate Sponsorship	11
5.9 Political Activities.....	11
5.10 Confidential Customer Information	11
5.11 Personal Restrictions	12
5.12 Documentation and Record Keeping	12
5.13 Professional Performance.....	13
5.14 Relationship with Fellow Employees.....	14
5.15 Social Media Guidelines	14
5.16 Health and Safety	15
5.17 Breach of AML/CFT Rules and Procedures	15
6.0 COMPLIANCE PROCEDURE.....	16
6.1 Responsibility	16
6.2 Risk Assessment	16
6.3 Reporting Violations.....	16
6.4 Sanctions	16
6.5 Communications	17
6.6 Training.....	17
6.7 Interpretation.....	17

NOTICE AND WARNING

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The information and guidance in this Ethics Policy is subject to change and will be revised on an annual basis based on amendments or new developments in relevant laws and regulations.

Employees are reminded that compliance with this Ethics Policy forms an essential part of their contracts of employment. While most issues can be addressed, one-off scenarios may arise and such cases should be referred to the Compliance Group at riskandcomplianceke@gtbank.com

Any misuse of the document may be redressed by GTBank Kenya.

DOCUMENT CONTROL

Summary of revisions/ additions

Item	Revision made	Section	Page
1	Frequency of review of policy	Objectives of the policy	6

Document History

Version	Date	Purpose	Reviewers
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1.0 INTRODUCTION

Guaranty Trust Bank (Kenya) Limited (“the Bank”) is committed to the highest standards of ethical conduct in all its endeavors. As an ethical institution, the Bank has zero tolerance for bribery and corruption, and other forms of unethical practices among employees, between the Bank and its employees, and between the Bank and external parties.

All employees are expected to maintain the highest standards of ethical conduct and integrity in all aspects of their professional and private lives. This is in tandem with the Bank’s vision of creating role models for the society.

The Bank conducts its business in accordance with the highest standard of integrity, due diligence and professionalism and encourages all its employees to do likewise in their interaction with third parties, even in private interactions.

The Bank has put in place policies and procedures articulated in its Staff Handbook and Code of Professional Conduct to prevent corruption among staff, and within business units. These include specific provisions that prohibit acts that could put the individual employees and the Bank in a compromising position, or even remotely linked to corruption.

The Bank’s Orange Rules (Simplicity, Professionalism, Friendliness, Service, Excellence, Trustworthiness, Social responsibility and Innovation) form the bedrock of values on which each employee’s conduct is expected to be founded, with actions flowing from them. Two (2) of these Orange Rules, **Professionalism** and **Trustworthiness**, aptly capture the expectation of the Bank from all employees on issues relating to corruption and unethical practices.

The Bank’s abhorrence of corrupt and unethical practices is communicated through its values which are drilled into all employees through induction trainings, continuous awareness initiatives and as new issues emerge.

The Bank continues to sensitize all employees on the ills of corrupt practices,

create awareness of possible pitfalls to avoid and ensure that its employees and related third parties comply with the laws governing anti-bribery and corruption practices.

The main legislation in Kenya relating to anti-bribery and corrupt practices is the **Ethics and Anti-Corruption Commission Act**, Cap.22, Laws of Kenya, 2011 ("the Act").

The Act makes general provisions prohibiting various acts of corrupt practices arising from interaction or transactions between public officers and the general public or private individuals.

The provisions of the Act are binding on the Bank, its employees, suppliers, representatives and Agents.

2.0 OBJECTIVES OF THE POLICY

The objectives of this policy are to restate and reinforce the Bank's commitment to its business principle of zero tolerance to bribery and corruption, set out the standards expected of employees for the prevention of bribery and corruption, provide the appropriate systems and procedures to manage the Bank's corruption risks and provide the necessary framework to guard and promote the Bank's reputation for integrity, honesty and responsibility.

This Ethics Policy provides basic guidelines of business practice, professional and personal conduct which the Bank as an institution and its employees must adopt and uphold at all times. ***This policy will be reviewed once in every three years or when there is need for an update***

3.0 DEFINITIONS

a. Corruption is the misuse or abuse of entrusted power for private and usually commercial gain. Corruption includes bribery, fraud and other related offences.

b. Bribery is the direct or indirect offering, promising, giving, demanding, receiving or accepting of a financial or other advantage for the purpose of performing or refusing to perform an act.

4.0 SCOPE

This Ethics Policy shall apply to all employees, including temporary employees in all branches of the Bank. The Bank regards this policy as part of an employee's contract of employment.

Some of the principles contained herein are also covered or further explained in the Bank's Code of Professional Conduct and Staff Handbook. This Policy should therefore be read in conjunction with the provisions and guidelines contained in the Code of Professional Conduct and the Staff Handbook.

Although the Ethics Policy is intended to guide personal and professional conduct, it may not expressly address every issue or situation that may arise. Employees are expected to rely on common sense, good judgment and individual character and integrity to determine proper conduct in situations or areas not specifically referred to in this policy.

5.0 POLICY STATEMENTS

5.1 Honesty and Integrity

Honesty and Integrity are essential qualities in the Bank's relationship with its customers, in the relationship between employees and customers and in the relationship among employees. Indeed, these qualities form the bedrock of the Bank's duty to its stakeholders.

Employees are expected to demonstrate utmost honesty and integrity in their personal and business dealings and to be upright in the discharge of their duties and responsibilities.

Employees are expected to be fair, straightforward, dependable and truthful in their conduct and speech. Employees should not ask for, receive or agree to

receive from a customer of, or supplier to the Bank, anything of value for the personal advantage of the employee or for the spouse or any other relation or close relatives of the employee, in consideration of services rendered, being rendered or to be rendered.

5.2 Prohibited Payments

The Bank prohibits all improper payments of any nature.

Accordingly, employees shall not use the Bank's funds or other assets for any unlawful or improper purpose, including:

- making or offering to make or promising to make any payment of money or anything of value directly or indirectly to or for the benefit of any person that is or may appear to be related to obtaining or retaining business with any person or company,
- or obtaining any other advantage in the conduct of business or inducing or rewarding the improper performance by any person of any function or activity.

5.3 Gift Items

The Bank recognizes that fostering good relationship with customers and other relevant stakeholders is vital and important to its success. However, it is important that business decisions are made objectively at all times and not influenced by gifts or favors of any kind.

To avoid the reality or appearance of improper relations, employees shall not seek or accept, directly or indirectly, gifts, entertainment opportunities or other types of gain or benefit whether for the employee, the spouse, dependent or relative, from anyone soliciting or doing business with the Bank or from any person or firm in business competition with the Bank.

All employees of the Bank are not allowed to accept cash or cash equivalent of gifts (including cheques or vouchers) from a customer, supplier or vendor except at festive seasons such as Christmas, Eid ul-Adha, Eid al-Fitr, Diwali, and other very significant religious festivities.

However, the gifts received at such seasons must not exceed the approved value of Kshs. 5,000 (Five thousand Kenya Shillings) and must be subject to the appropriate disclosure process as stipulated in the Code of Professional Conduct embedded in the staff handbook.

These restrictions would not apply to gifts, hospitality or entertainment based on obvious family relationships or close personal friendships, where the circumstances make it clear that it is the relationship, rather than the Bank's business, that is the motivating factor.

In unusual situations where the refusal of a gift would adversely affect the Bank's relationship with a client, receipt of the gift should immediately be reported to the Head, Risk and Compliance.

5.4 Facilitation Payments

A facilitation payment is payment of a bribe to a government or public official or any other person in authority to secure or expedite the performance of a routine action to which the payer is entitled.

The Bank prohibits facilitation payments. Employees are not allowed to solicit, make or receive facilitation payments on behalf of the Bank.

5.5 Special Discounts

No employee or its spouse or dependents are allowed to accept special discounts (discounts not available to other persons or companies) on purchases of goods and services from customers, vendors, suppliers and regulators, except based on a previously established personal or family relationship.

The prohibition shall not affect any special discounts that are made directly available to employees by the Bank in conjunction with any customer, vendor, supplier or regulator.

5.6 Conflict of Interest

Employees must avoid conflicts of interest and are expected to discharge their duties honestly, in good faith and in the best interest of the Bank.

Employees must also exercise that degree of care, diligence and skill which a reasonably prudent person would be expected to exercise in comparable circumstances.

Employees must uphold confidential information, they must not abuse their position and must not engage in any business dealings which diverts their attention from, or is in conflict with, the Bank's commercial interests, or which in anyway compromises their independence and impartiality.

5.7 Third Parties

The Bank has and will continue to impress on its duly appointed professional consultants, representatives and agents performing duties or carrying out assignments on behalf of the Bank to uphold its principles of integrity and ethical discipline and not to engage in any act of bribery and corruption on behalf of the Bank.

Where an agent, professional consultant and representative is found to have compromised the Bank's principles as stated in this Policy, the agent, professional consultant and representative will be relieved of its duties.

The Bank is committed to taking reasonable steps to ensure that its representatives, agents and professional consultants are made aware of, understand and adhere to this policy. The Bank shall continuously verify the integrity and reputation of its representatives, agents and professional consultants, and conduct appropriate and reasonable due diligence in light of perceived levels of risk.

All employees are expected to maintain a purely professional relationship with the Bank's customers, vendors, suppliers and regulators and must disclose to the Bank any interests or personal relationships with any of them.

5.8 Charitable Donations and Corporate Sponsorship

The Bank makes charitable donations and offers corporate sponsorships for individuals, organizations, companies and other bodies. These include donations for health and educational related activities and sponsorships for socio-economic development, cultural or sporting activities. These donations and sponsorship are made for the purposes of identifying with the aspirations of the community and the environment within which the Bank operates and not for improper business purposes.

For purposes of transparency and in line with relevant regulatory requirements, details of the donations and sponsorship are disclosed in the audited accounts of the Bank.

5.9 Political Activities

The Bank does not participate directly or indirectly in party politics and does not make payments or donations to political parties, politicians or related organizations.

Participation in civic and political activities is a personal decision. Employees are not allowed to use the Bank's time, property and resources to promote or support any political party, candidate or activity.

An employee may engage in political activity only as a private citizen and not as a representative of the Bank and shall therefore not make any political contribution, whether cash or otherwise on behalf of the Bank.

5.10 Confidential Customer Information

Employee shall uphold the confidentiality of customer information. No information about a customer must be disclosed to third parties, unless the disclosure is:

- required by law/regulation;
- required by professional responsibility;
- authorized by the customer;
- in response to an enforceable subpoena or summons.

Employees shall pass confidential customer information obtained in the ordinary course of business to the appropriate supervisory or management staff. Employees must avoid gratuitous disclosure of customer's information to other persons. Confidential information which is not known to the public must not be discussed in public places such as the elevator, lunch room, corridors, social functions, etc.

Employees are required to sign an Oath of Confidentiality upon employment by the Bank, and annually thereafter. Failure to comply with the confidentiality obligations herein will be regarded as serious misconduct and appropriate sanctions will be imposed.

Further reference on confidentiality can be obtained from the Bank's Data Retention and Protection policy.

5.11 Personal Restrictions

Employees, their spouses, dependants or other related parties shall not accept personal loans of any nature from customers/suppliers except from a Bank or any other financial institution recognized by law.

Employees shall not allow any of their accounts in the Bank to be used by third parties and under no condition should funds belonging to third parties for whatever purpose be taken into employees' accounts.

Under no circumstance shall an employee run/operate accounts on behalf of customers.

All buildings of Guaranty Trust Bank (Kenya) Ltd are designated "No Smoking Environment". Consequently, smoking is forbidden within the head office and branch premises. In addition, usage of hard drugs and/or alcohol is strictly prohibited.

5.12 Documentation and Record Keeping

The Bank's books and records must be kept with reasonable detail and accuracy without any false or misleading entries. This is to ensure that the Bank's books and records fairly and accurately reflect all transactions in accordance with

established procedure. All controls and approval procedures must be followed at all times.

5.13 Professional Performance

The public and our customers have a right to expect that every business transaction that is undertaken by the Bank regardless of the type of service/product involved will be performed in accordance with sound professional standards.

We shall undertake to provide only those services that we can reasonably expect to deliver with professional competence.

We shall exercise due professional care in the delivery of each product or service. The following is mandated of all employees:

- Employees acknowledge that every circular, note, memorandum, report, data, program, review, letter or any other document or information prepared by the employee or which may be in his/her possession in the course of his/her employment is and shall remain the property of the Bank. Employees agree not to use or permit to be used any such document or information otherwise than for the benefit of the Bank.
- Employees shall be responsible for safeguarding all GTBank's assets and systems in their possession or under their control and ensure data integrity. Assets can include funds, information, physical or intellectual property, and business development opportunities. Misappropriation of assets or misuse of GTBank's systems may lead to disciplinary action and in certain cases constitute a criminal offence. Misuse of system includes but is not limited to sending inappropriate emails or accessing offensive websites.
- Employees shall ensure compliance with the Bank's "Clean Desk Policy" and shall ensure that all documents are removed from desks and properly filed at the close of business each day.
- Employees shall not, except in line with their duties or as authorized by Management, reveal to any person or company any confidential information, trade secret or operation process concerning the Bank's business, finances, transactions or affairs or those of its subsidiaries which

may come to their knowledge during their employment with the Bank. This restriction shall continue to apply after the disengagement of the employee from the Bank without limit in point of time but shall cease to apply to information or knowledge, which may come into the public domain. The restriction on disclosure of confidential information shall cover all forms of communication, including communication on any social media.

- Employees shall not engage in Foreign Exchange (FX) trading or any other form of financial intermediation for customers, suppliers or non-customers, for personal gains.
- Employees shall not manipulate customer indebtedness to the Bank or engage in insider trading while in the Bank's employ, all employees shall devote their working hours to their assigned roles and are prohibited from other employment that conflicts with their work schedule, competes with interests of the Bank or adversely affects the image of the Bank. Where an employee is required to participate in activities that could conflict with their primary role, requisite approval shall be obtained from the Group Head and Divisional Head of the employee".

5.14 Relationship with Fellow Employees

Employees shall maintain a professional relationship with fellow employees and shall not:

- Engage in acts of molestation, violence, victimization, oppression and extortion;
- Engage in sexual molestation including unwarranted sexual advances;
- Conceal or fail to report unethical conducts or other unacceptable behavior by fellow employees using the Bank's approved channels.

5.15 Social Media Guidelines

Employees are expected to act as professionals and use good judgment when using social media.

Social media includes all means of communicating or posting information or content of any sort on the internet, whether or not associated or affiliated with the Bank, as well as any other form of electronic communication.

Employees are to ensure that all postings are consistent with the Bank's Social and Digital Media Policy. Inappropriate postings that may include discriminatory or derogatory remarks, harassment and threats or unlawful content will not be tolerated and may result in disciplinary actions, including termination of employment.

The Bank disclaims any responsibility or liability for any errors, loss, or damages incurred due to any employee's electronic communications.

Employees should not disclose confidential or sensitive information about the Bank, colleagues or customers that may have been obtained as a result of their position with the Bank, unless they have express right to do so.

5.16 Health and Safety

Employees are responsible for the safety and security of their workplace. The Bank is responsible for providing a safe and healthy environment for its employees and customers at all locations. Contractors working on Bank premises are required to conduct their activities in a manner that ensures the safety, health and the welfare of others.

All employees are expected to comply with the Bank's Occupational Health and Safety Procedures and Guidelines, and to conduct themselves in a safe manner, not placing themselves or others at risk. Employees are responsible for the health and safety of themselves, other employees and customers in their surroundings.

Employees must not engage in any activity that could lead to hazard, endanger the lives of others or result in damage to the Bank's properties.

5.17 Breach of AML/CFT Rules and Procedures

Employees and Directors must not be members/affiliates of or support any terrorist organizations.

Employees are encouraged to promptly report all suspected money laundering and terrorism financing activities carried out by customers to the Bank.

Employees shall not aid customers in an attempt to conceal/disguise the source of illicit funds or the evading of reporting thresholds.

While in the employ of the Bank, employees shall not inform any customer of Suspicious Transaction Reports made to regulators in respect of their accounts or

reveal enquiries made by regulators on their accounts.

Any breach of the AML/CFT Rules and Procedures will attract the appropriate sanction in accordance with the Bank's sanctions grid.

6.0 COMPLIANCE PROCEDURE

6.1 Responsibility

It is the responsibility of the Head of Risk and Compliance to ensure the maintenance, revision and distribution of this policy.

It is the responsibility of the Bank's Senior Management to ensure that the policy is effectively implemented in their respective business groups.

All employees are required to read, understand and comply with the terms of this policy at all times.

6.2 Risk Assessment

The Bank is committed to ensuring that its exposure to corruption and bribery activity is subject to periodic risk assessments and that the efficacy of same in managing the Bank's corruption and bribery risks is evaluated regularly in light of risk assessments.

The Risk and Compliance Unit of the Bank shall be responsible for assessing the risk of Bribery and Corruption in the Bank and reviewing its procedures and controls to minimize those risks. Key risks identified would be communicated to the Bank's Senior Management.

6.3 Reporting Violations

Employees are encouraged to report to their Divisional Head or, where not possible, utilize the whistle-blowing process via the intranet to report any breach of this policy.

Employees are encouraged to promptly report any actual, planned or potential behavior that breaks, or may break, any laws, regulations and policies of the Bank.

6.4 Sanctions

Violations of this policy, including involvement in any corrupt activities and failure to report actual or potential breaches of this policy, will lead to disciplinary action in accordance with applicable disciplinary procedures.

Additionally, employees who should have, as a result of due diligence, discovered violations of this policy, but who fail to do so, may be subjected to disciplinary actions, including termination of employment.

Where a case of corruption is suspected, a report would be made to the Systems and Control Division of the Bank whose responsibilities includes investigation of such reports.

Appropriate actions will be taken based on findings and recommendations made. These may include review of operating procedures and/or policies, implementation of more effective controls and sanctions for errant employees.

6.5 Communications

This policy shall be communicated to all staff and re-communicated annually. Human Resources Group shall be responsible for ensuring that new employees are provided with a copy of this policy as part of the induction programme upon resumption of duties at the Bank. It would also ensure that all employees understand the importance of complying with the provisions herein.

6.6 Training

The Bank shall ensure that employees are provided with appropriate anti-corruption training for awareness on the various types of corrupt practices prevalent locally and globally, the risks of engaging in corrupt activities, the Bank's policy on anti-corruption, and the compliance procedures contained in this policy.

6.7 Interpretation

Any question regarding the interpretation of any aspect of this policy, including employee's obligations should be directed to the Head, Legal or the Head of Risk and Compliance of the Bank.