



CONFLICT OF INTEREST POLICY

FORWARD

KenGen strives to maintain the highest ethical standards in carrying out its business activities. The Company's operations are guided by a set of core values of Team Spirit, Integrity, Professionalism and Safety Culture (TIPS). The Company is cognisant of its obligations to all stakeholders including, shareholders, Government agencies, employees, customers, suppliers, competitors, financiers, general public and the communities living around our installations. This Policy sets guiding principles and procedures to deal with ethical issues in line with company regulations, policies and labour laws.

All employees are expected to perform their duties honestly, fairly, transparently, diligently and act in the best interests of the company at all times. The cornerstone of ethical conduct is to avoid actual or potential conflict of interest. In circumstances where we cannot avoid these conflicts, we need to follow these guidelines for proper disclosure to mitigate actual or potential conflicts. This Policy document sets out the obligations with regard to conflicts of interest, declaration and management of these interests. The Policy should be read together with other KenGen Policies, in particular the Code of Conduct.

The purpose of this Policy is to give measures to identify, manage and avoid existing and potential conflict of interest within our business environment and set out roles and responsibilities of relevant parties. In order to ensure widespread accessibility, the Policy will be published on the intranet and on the Company's website where our stakeholders can easily access it.

Employees in all situations should avoid selfish interests, activities, investments, relationships and influences that might compromise their objectivity, effectiveness and the faithful performance of their duties. It is therefore necessary to have a process in place to manage these conflicts of interest effectively in order to uphold good corporate governance and organisational integrity.



.....
REBECCA MIANO (MRS), OGW
MANAGING DIRECTOR & CEO

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1.0 Introduction

KenGen is increasingly operating under the glare of public scrutiny arising out of the level of public awareness and democratization of governance processes. In particular, the citizen's right to access information has made it necessary for public institutions to be more responsive to the needs of the stakeholders/ public while at the same time maintaining high standards of ethics and integrity. This has called for greater responsiveness in the way companies do business. One area of public concern is conflict of interest among public officers.

With this open society, comes a very active mass media who continually scrutinize public institutions with a view of unearthing scandals. In most cases, conflict situations in business arise from the modern-day forms of co-operation between the public and private sectors. The barriers between public and private employment trends are also breaking down, leading to new pressures on traditional employment obligations and loyalties. Today, private sector representatives may sit on the advisory body of a public regulatory agency, or a public official may sit on the Board of a company involved in a partnership with the public agency that employs him.

At the same time, Governments are under increased pressure from the business community and society at large to ensure that public officials perform duties in a fair and unbiased manner.

2.0 Purpose

The purpose of this policy is to define conflict of interest, provide guidance for employees, suppliers, consultants and contractors to help avoid and/or deal with real, apparent, or potential conflicts of interests. It also outlines the responsibilities surrounding conflict of interest and spells out the repercussions of violating this policy.

Through awareness campaigns, the policy will ensure that all Kenya Electricity Generating Company PLC (KenGen) employees are aware of conditions of employment with regard to conflict of interest and that all staff understand and adhere to the Policy. This policy also provides a framework for all staff that will assist in resolving situations where a conflict of interest exists or is perceived to exist.

Staff members are expected to comply with all conflict of interest statutes, policies and related administrative policies including: the Constitution of Kenya, 2010 (Chapter 6) KenGen Code of Conduct; Public Officers Ethics Act, 2003; Anti-Corruption and Economics Crimes Act, 2003, Leadership & Integrity Act, 2012 amongst others.

This policy applies to all staff members of the company (permanent and on contract), suppliers, consultants, and contractors working with KenGen. The guiding principles for Conflict of Interest situations affecting Board members of KenGen is defined in the Board Approved Charter. The Managing Director and CEO and Senior Management have an important role in ensuring conflict of interest situations are managed appropriately within the organization. However, every member of staff is expected to identify Conflict of Interest situation in their respective areas of work.

3.0 Definition of terms

In the context of this document:

3.1 Benefit

Means; Anything which provides the staff member with a direct or indirect personal gain or the potential for personal gain, or gain to a third party that may benefit the staff member either directly or indirectly. Such a gain must not be financial; it could be a personal or a non-financial gain. Examples of a benefit may include: the provision of materials or facilities, support of individuals through the provision of benefits such as travel, gifts, entertainment, accommodation expenses, or a financial benefit.

3.2 Close Personal Relationship

Means; relationships which may lead to a real or perceived conflict of interest, specifically:

- Family relationships (husband/ wife, de' facto partner, siblings, parent/ child, relations by marriage such as brother or sister-in-law);
- Emotional relationships (which might include romantic relationships and close friendships)

This does not include a working relationship which exists due to ordinary professional collaboration, where colleagues are not relatives, financially dependent, close friends, defacto or intimate partners.

Contractor

Means; a person or an organization engaged by KenGen to provide goods or services. This also includes Consultants.

3.3 Financial Benefit

Means; a benefit in the form of remuneration, payment or gift received by a staff member. Financial benefits might also include investments, ownership or directorship of any companies, consultancies, and provision of goods or services, receipt of royalties or other considerations.

3.4 Staff member

Means; Employees engaged or working with KenGen and includes all permanent, casual, contracted staff and also those seconded from other agencies.

3.5 Competing Private Interest

Means; Anything that can have an impact on an individual's primary duty to act in the best interests of KenGen. The term competing private interest includes not only an individual's personal, professional or business interests, but also the personal, professional or business interests of others with whom the individual associates with. This might include relatives, friends or even rivals and competitors. As such, competing private interests are those interests that can bring benefit or disadvantage to individuals, or to others whom the individual may wish to benefit or disadvantage.

3.6 Conflict of Interest

Means; where there is a conflict between an individual's official duties and responsibilities to KenGen and a competing private interest, which in turn may improperly influence the objective exercise of the individual's official duties and responsibilities to KenGen. A conflict of interest may be:

- **Actual**, where a conflict actually exists;
- **Perceived or apparent**, where a conflict is believed (appears) to exist; or
- **Potential**, where a conflict may arise in future

A conflict of interest can be:

Pecuniary (involves an actual or potential financial gain or loss) Money does not need to change hands for an interest to be pecuniary. People have a pecuniary interest if they (or a relative or other close associate) own property, hold shares, have a position in an entity that is bidding for KenGen work, or receive benefits (such as concessions, discounts, gifts or hospitality) from a particular source.

Non-pecuniary (does not have a financial component). This includes any tendency to award favour or prejudice resulting from friendship, animosity, or other personal involvement with another person or group. Conflict of interest includes conflict of duty.

3.6.1 Conflict of Duty

Means; where a conflict arises from an individual having multiple, incompatible or competing duties as an employee of KenGen. This may occur, for example, when a staff member has a public role with another organization in addition to their KenGen duties.

3.6.2 Conflict of Interest Register

Means; the official KenGen record that details the interest disclosed by the individual and, where necessary, how that interest is to be managed.

3.7 Gift

Means; any item of value which a person or organization presents to an individual as a consequence of their employment or engagement with KenGen. This includes cash but does not include gifts forming part of employment terms.

3.7.1 Hospitality

Means; meals, refreshments, entertainment or accommodation given to an employee on the account of being employed by KenGen.

3.8 Responsible Officer

Means; a staff member who is best placed to make an independent decision as to whether a Conflict of Interest exists in relation to the matter disclosed, and if so, how that conflict should be addressed. In most cases, this will be the notifying individual's line manager but it may be another officer depending on the context in which the conflict arises or could arise, for instance the Chair of a Selection Panel.

3.9 Secondary Employment

Means; any employment with an organization other than KenGen and includes self-employment, independent contracting or consulting or employment by a family company. It covers casual, part-time (including but not limited to part-time lecturing, commercial farming among others) and full-time work, as well as shift work. All such cases constitute secondary employment regardless of the duration of the employment. Secondary employment also includes employment already held by a person at the time of their initial employment by KenGen.

4.0 Definition of Conflict of Interest

4.1 A conflict of interest

Arises when one's personal interests or other interests affect, or could be perceived to affect, or has the potential to affect, one's objectivity and discretion and/ or the objectivity and discretion of another employee in performing KenGen duties or making decisions on behalf of KenGen.

4.1.1 A personal interest

May be an actual or potential, direct or indirect interest of an employee or a director, or of a close family member or other associate of the employee, in any business, entity, undertaking, or investment, as a shareholder, associate, member, adviser/ consultant, or in any other capacity.

Having a conflict of interest is not always evidence of wrongdoing. A conflict of interest can, however, become a legal matter if a staff member fails to disclose the same, uses or tries to use the same for the purpose of influencing the outcome of a decision.

Organization for Economic Co-operation and Development (OECD) guidelines define conflict of interest as “a conflict between the public duties and private interests of a public official, in which the public official has private-capacity interests which could improperly influence the performance of their official duties and responsibilities.”

4.1.2 Real Conflict:

At least three pre-requisites have to be established before a staff member can be in a real conflict of interest. They are:

- The existence of a private interest;
- It is known to the member and that it has a connection with his/her duties and responsibilities
- It is sufficient to influence the performance of those duties or responsibilities

4.1.3 Apparent Conflict:

An apparent conflict of interest exists when there is reasonable apprehension, which reasonably well-informed persons could have, that a conflict of interest exists.

4.1.4 Potential conflict:

A potential conflict of interest is one that may develop into an actual conflict. The potential for conflict exists as soon as the staff member can foresee that he or she has a private interest that may be sufficient to influence a public duty or responsibility.

5. Legal and Administrative Provisions on Conflict of Interest

5.1 The Constitution of Kenya, 2010

Constitution of Kenya Chapter 6: Article 73 (2) (b) and (c) of the Constitution of Kenya (2010) state that the guiding principles of leadership and integrity include;

- a) Objectivity and impartiality in decision making and in ensuring that decisions are not influenced by nepotism, favouritism and other improper motives or corrupt practices.
- b) Selfless service based solely on the public interest demonstrated by;
 - i. Honesty in the execution of public duties.
 - ii. The declaration of any personal interest that may conflict with public duties.

Article 10 provides that the national values and principles of governance among others the rule of law, participation of the people, good governance, integrity, transparency and accountability bind all State organs, State officers, public officers and all persons whenever any of them applies or interprets the Constitution, enacts, applies or interprets any law; or makes or implements public policy decisions.

Article 226 (5) provides that if the holder of a public office, directs or approves the use of public funds contrary to law or instructions, the person is liable for any loss arising from that use and shall make good the loss, whether the person remains the holder of the office or not.

Article 227 provides that when a State organ or any other public entity contracts for goods or services, it shall do so in accordance with a system that is fair, equitable, transparent, competitive and cost effective and that an Act of Parliament shall prescribe a framework within which policies relating to procurement and asset disposal shall be implemented.

Article 201 provides that there shall be openness and accountability (a), including public participation in financial matters and that public money shall be used and managed in a prudent and responsible way (d) and (e).

Article 232 states the various values and principles of public service which are applicable and extend to all State organs, State officer and public officers (232(2)(a). These include efficient, effective and economic use of resources. 232(1)(b), involvement of the people in the process of making policy (d), accountability for administrative acts (e) and transparency and provision to the public of timely, accurate information.

Article 259 provides that The Constitution shall be interpreted in a manner among others that promotes its purposes, values and principles (259) (1) (a) and contributes to good governance.

5.2 Public Officers Ethics Act, 2003

The *Public Officers Ethics Act, 2003* conceptualizes a Public Officer in Section (2) (d) as any officer, employee or member including an unpaid, part-time or temporally officer, employee or member, of any corporation, council, board, committees or other body which has power to act under and for the purpose of any written law relating to county government, public health or undertakings of public utility or otherwise to administer funds belonging to or granted by the

government or money raised by rates, taxes or charges in pursuance of any such law. This section makes it clear that KenGen officers are public officers.

Part III Section (12) of the Public Officers Ethics Act 2003 states that:

- 1) A public officer shall use his best efforts to avoid being in a position in which his personal interests conflict with his official duties.
- 2) Without limiting the generality of Sub-section (1), a public officer shall not hold shares or have any other interest in a corporation, partnership or other body, directly or through another person, if holding those shares or having that interest would result in the public officer's personal interests conflicting with his official duties.
- 3) A Public officer whose personal interests conflict with his official duties shall:
 - a) Declare the personal interests to his superior or other appropriate body and comply with any directions to avoid the conflict; and
 - b) Refrain from participating in any deliberations with respect to the matter

Notwithstanding any directions to the contrary under sub-section (3)(a), a public officer shall:

Not award a contract, or influence the award of a contract, to:

- a) Himself;
 - b) A spouse or relative;
 - c) A business associate; or
 - d) A corporation, partnership or other body in which the officer has an interest
- 4) Further, it states that the regulation may govern when the personal interests of a public officer conflicts with his official duties for the purpose of this section.
- 5) Asserts that "personal interest" includes the interest of a spouse, relative or a business associate.

5.3 Anti-Corruption and Economic Crimes Act, 2003 as revised in 2016

Part V Section (42) of the Anti-Corruption and Economic Crimes Act, 2003 states that:

- 1) If an agent has a direct or indirect private interest in a decision that his principal is to make the agent is guilty of an offence if:
 - a) The agent knows or has reason to believe that the principal is unaware of the interest and the agent fails to disclose the interest; and
 - b) The agent votes or participates in the proceedings of his principal in relation to the decision.
- 2) A private body may authorize its agent to vote or participate in the proceedings of the private body and the voting or participation of an agent as so authorized is not a contravention of Sub-Section (1).
- 3) An agent of a public body who knowingly acquires or holds, directly or indirectly, a private interest in any contract, agreement or investment emanating from or connected with public body is guilty of an offence.

- 4) Sub-Section (3) does not apply with respect to an employment contract of the agent, or a related or similar contract or agreement or to any prescribed contract, agreement or investment.

5.4 The Public Procurement and Asset Disposal Act, 2015

Part VI Section (59) of the Public Procurement and Asset Disposal Act, 2015 states that:

- (1) A State Organ or a public entity shall not enter into a contract for a procurement with-
 - (a) A public officer or state officer or a member of a committee or Board of that State organ or public entity; or
 - (b) An officer of that public entity or state organ.
- (2) A state officer or a public officer shall not award or influence the award of a contract to-
 - (a) Himself or herself;
 - (b) The State officer's or public officer's spouse or child;
 - (c) A business associate or agent; or
 - (d) A corporation, private company, partnership or other body in which the officer has a substantial or controlling interest.
- (3) A state officer or public officer who has an interest in a matter under consideration in a public procurement or asset disposal shall disclose in writing, the nature of that interest and shall not participate in any procurement or asset disposal relating to that interest.

5.5 KenGen Code of Conduct

The KenGen Code of Conduct forbids conflicts of interest and spells out the extent to which such conflicts should be avoided, and what the parties should do when they arise.

The code of conduct requires that staff shall not trade or engage in any business that may lead to a conflict of interest with the company.

The Code of Conduct indicates that: All KenGen staff shall use their best efforts to avoid being in a position whereby their personal interests' conflict with their official duties as outlined above in Section (12) of the Public Officers Ethics Act 2003.

The Code of Conduct exemplifies that it is a gross mis-conduct for a staff who fails to disclose private interest in a situation where the staff is called upon to deal with any matter or issue in which he/she has a personal interest.

6.0 Conflict of Interest Situations

Conflicts of Interests do arise and as they do, staff members must then disclose such conflicts and act according to the provisions of this policy.

Without limiting the circumstances, the following are general indicators which can give rise to situations where a conflict of interest may occur. These indicators do not as a matter of course, automatically give rise to conflicts of interest, but they are examples that should compel a member of staff to reflect carefully and cautiously in his or her dealings to avoid any conflicts of interest in such circumstances:

- a) A KenGen employee having a personal, financial, partnership or profit sharing interest in a firm that is doing or seeking to do business with KenGen.
- b) An employee holding a directorship position with an entity having direct and/ or indirect business relationships with KenGen.
- c) KenGen employee awarding contracts and employment to members of his/ her family or a company controlled by a close associate or other proxy.
- d) An employee soliciting loans, money or guarantees for oneself or for close family member and close associates from entities doing business with KenGen
- e) An employee being involved in the engagement, management or supervision of parties doing business with KenGen in which one has a financial interest and has business relationships with KenGen.
- f) A KenGen employee influencing the employment of a family member, close friend or associate
- g) Decisions regarding suppliers, customers and other persons in respect of the selection and/or on-going dealings related to doing or seeking to do business with KenGen.
- h) A KenGen employee doing business with entities that are in business competition with KenGen.
- i) A KenGen employee holding directorships, executive positions, controlling shareholdings or ownership of other companies, organizations or businesses that are in serious competition with KenGen.
- j) An employee accepting benefits, for example, gifts, entertainment, travel, accommodation expenses by an entity intending to enter into a contractual agreement with KenGen.
- k) Employment (or voluntary work) external to KenGen whilst employed by KenGen if that work may be in conflict with the objectives of KenGen.
- l) A KenGen employee engaging in external activities that encroach on time or attention that should be devoted to the affairs of KenGen.
- m) Decisions regarding recruitment, appointment, promotion and disciplinary or other personnel decisions relating to staff members.

Note that it is impossible to provide an exhaustive list of conflicts of interest and that the employee, in most cases, in the best position to identify conflicts of interest which must be

declared. If there is any uncertainty, staff members should contact the Security and Integrity Department for clarity.

7.0 Policy Guidelines

7.1 General Provisions

In order to effectively manage and declare conflicts of interest, all KenGen employees are required to abide by the following guidelines:

- a) Each KenGen employee shall receive a copy of the KenGen Conflict of Interest Policy. The policy will also be availed in the company's intranet. In addition, new employees joining the company will be required to sign a Conflict of Interest declaration form. All other employees are required to fill the COI declaration form whenever an actual or potential conflict arises in individual circumstances.
- b) COI declaration and management shall be a standing agenda item during board & board committee, Executive Committee, Tender Evaluations Committee, Inspection and Acceptance, Training Advisory, Disciplinary and Disposal Committee meetings, Shortlisting, interview panels and performance appraisals. Such declarations will be recorded in the meeting minutes and COI register in addition to appropriate guidelines being issued to manage the reported COI situation once declared.
- c) Where there is a Conflict of Interest, the employees must declare and excuse himself/ herself from any deliberations or Committee meeting or access to information dealing with that particular item and will not participate in any decision relating to the matter.
- d) An employee shall not have any business or activities that create or appear to create an excessive demand on their time, attention and energy that would negatively impact the interests of the company.
- e) The Security and Integrity Department shall keep a central database of all Conflict of Interest declarations made in the company.

7.2 Supply Chain Processes

- a) With regard to procurement, conflicts of interest declarations and necessary disclosures must separately be made at all stages of the procurement process from procurement planning to tendering, procurement of products, services, works and contract management.
- b) All queries regarding tenders and contracts should be referred to the Director, Supply Chain or the relevant manager in terms of KenGen's normal procurement processes, and employees should refrain from directly intervening in any procurement issues outside the normal procurement processes or lines of authority.
- c) Employees should not under any circumstances be involved in the preparation of bid documents to be submitted to KenGen by companies bidding to provide goods, services or works to KenGen.

- d) A situation where a contractor/ consultant/ supplier is found to have failed to disclose potential or actual conflict of interest may lead to an allegation of misconduct and may result in the contract being terminated.
- e) With regard to events sponsored by contractors/ suppliers, costs of travel to the event and accommodation shall be borne by KenGen and not the supplier.
- f) Employees shall not accept business courtesies that are excessive and/or that could create the impression that their judgement could be affected if these courtesies are accepted.

7.3 Human Resource Management

- a) With regard to Human Resource functions, all employees who form part of the recruitment, (the shortlisting/ interview panel) training, development and promotion processes shall sign and submit a conflict of interest declarations at the beginning of the process.
- b) Directors/Managers are responsible for ensuring that employees do not report to one another in circumstances that create a conflict of interest, for example, where employees are close family members or have other personal relationships.

NB: The fact that a Conflict of Interest has been declared does not mean that it has been addressed. Such a conflict of interest must still be managed and could mean that the following additional steps are taken:

- a) In certain instances, an employee may need to be transferred to another position or function, without prejudice.
- b) Alternatively, in certain instances, the employee or director may be required to relinquish such interest altogether or resign from KenGen.

8.0 Roles and Responsibilities

This section outlines the responsibilities of KenGen, directors, managers and employees in dealing with conflicts of interests.

8.1 Responsibilities of the Company

KenGen is responsible for:

- a) Establishing a robust system for managing conflicts of interest. This includes a clear Policy and Procedure for all employees to follow.
- b) Building an organisational culture that supports personnel in the implementation of the Policy and Procedures including appropriate training.
- c) Review the policy and procedures every two years or as and when a need arises to ensure that they remain relevant and effective.

8.2 Board of Directors

The Board shall:

- Consider and approve the policy
- Reviews the process, compliance and consistency on a regular basis, including material, current and potential conflicts which the company is exposed to.

- Review performance and rigour of the business process.

8.3 Managing Director and CEO

- To ensure that the COI is identified and analysed, for further evaluation
- To examine matters reported as Conflicts of Interest and to determine whether it involves a violation of the COI Policy, the law or any other KenGen policies and procedures.
- To ensure that appropriate disciplinary actions are taken in the event of a breach of this COI Policy.
- To apportion responsibility for the performance of operational activities governed by this Policy

8.4 Responsibilities of Directors and Managers

Directors and managers are responsible for facilitating the compliance of those employees they supervise by:

- Ensuring that Conflicts of Interests are documented in the COI Register.
- Ensuring that all staff members receive the training on COI.
- Being aware of the risks of conflicts inherent in the work of the employees they manage.
- Making employees aware of the Policy and the Procedures for complying with it.
- Recording the receipt of disclosures of COI reported to them by employees.
- Advising employees about appropriate ways to manage conflicts of interest.
- Assisting personnel who disclose conflicts in preparing to manage the conflict.

8.5 Responsibilities of Staff members

Employees are responsible for:

- Being aware of their obligations to avoid, where possible, conflicts of interest and manage those conflicts that cannot be avoided.
- Assessing their private and personal interests and deciding whether they are in conflict, or have the potential to conflict, with their official duties.
- Formally disclosing all conflicts of interest they may have according to the procedures referred to in this Policy.
- To report any violations (and potential violations) of the COI Policy, applicable laws and regulations regarding COI to the Chief Integrity Officer or to the KenGen Anonymous Reporting Helpline.
- To consult with their managers and to seek advice from the Security and Integrity Department or Legal Department where they are unsure whether a COI exists; and
- To avail themselves during training with regard to their obligations under this Policy.

8.6 Responsibilities of Security and Integrity Department

Security & Integrity Department is responsible for:

- a) Administration of the Conflict of Interest Policy.
- b) Act as the custodian of the Conflict of Interest declaration forms and registers
- c) Review the policy and procedures every two years or as and when a need arises to ensure that they remain relevant and effective

- d) Provide technical guidance to all staff members on the Conflict of Interest management strategies.

9.0 Training and Awareness

Conflict of Interest training shall be delivered to all staff members. All newly recruited staff members shall also attend scheduled training session within the first six months of employment.

10.0 Breach of this Policy

All KenGen staff will be required to comply with this Policy. Where a Conflict of Interest was not disclosed by a staff member before the transaction took place, the issue should be brought to the notice of the Security and Integrity Manager who shall consider taking the following actions:

- i). If the management has a reasonable cause to believe that a staff member has failed to disclose actual or possible conflicts of interest, it shall inform the staff member of the basis for such belief and the staff may be given an opportunity to explain the alleged failure to disclose.
- ii) After giving the person a fair hearing, and a further investigation as may be warranted in the circumstances, provide information indicating that the employee is culpable, the manager will recommend that appropriate disciplinary and corrective action(s) be taken.

Breach of this Conflict of Interest Policy amounts to misconduct for which employees shall be subjected to disciplinary proceedings, as prescribed by the prevailing Employment Act, and KenGen's HR Policies.

Victimization of a staff member or any individual as a result of disclosure of an actual, potential, or perceived conflict of interest is not permitted,

11.0 Declaration of Interest Procedures

11.1 Individual *Responsibility for Disclosure*

In many cases only the individual staff member involved will be aware of the potential of a conflict of interest. It is the responsibility of the individual staff member to notify his or her supervisor if a potential, perceived, or actual conflict of interest arises.

11.2 Advice

Staff members who are uncertain whether or not they are placed in a situation where a potential or actual conflict of interest exists may seek advice from the Director, Manager, immediate supervisor, or Security and Integrity Department:

11.3 Disclosure

Actual or potential conflicts of interest must be disclosed by the staff member to his or her supervisor (or the Chair of the relevant KenGen Committee). The report must be made immediately (within 24 hours) upon the occurrence of a potential Conflict of Interest or being brought to their attention. In the case of any delay in disclosure, a valid explanation must be provided and documented.

11.4 Action

A supervisor who receives a Conflict of Interest disclosure from a staff member shall determine whether any conflict of interest exists after seeking appropriate advice and shall:

- i.) Acknowledge the disclosure in writing.
- ii.) If appropriate, authorize the staff member, in writing, to continue in his or her current duties and put in place additional processes to correct and prevent the reoccurrence of the situation.
- iii.) Reorganize the duties of the staff member as necessary to remove the conflict of interest.

NOTE: In the case of a declaration, the Chair of a Committee/ Panel, shall record the declarations. This should be captured in the report/ minutes of the meeting.

A staff member who is authorized to continue to perform his or her normal duties must immediately report any change in circumstances, which could affect the relevance of that authorization, to his or her supervisor. Once notified, the supervisor should review the situation according to the procedures set out above.

If the staff member and the supervisor disagree, either about the presence of a conflict of interest or about its appropriate resolution, the matter must be referred to the Corruption Prevention Committee Chairman through the Security and Integrity Department.

Any person with a complaint about a staff member acting in breach of these Procedures or the Conflicts of Interest Policy may raise the matter with the Security & Integrity Department or through the KenGen Anonymous Reporting channels.

12.0 Confidentiality and Record-keeping

The obligation of all staff members is to declare all conflicts of interest, as well as the details of any close family member or other associates that intends to do business with KenGen. It is recommended that all significant personal interests must be declared, whether a conflict exists or not.

The appropriate annual Conflict of Interest Declaration Form together with the KenGen Conflict of Interest Register will be availed to all Heads of divisions/departments and staff members for proper storage on an annual basis or when there is a need to declare conflict of Interest situations.

The Security and Integrity Department will maintain a central, secured online database of disclosed conflicts of interest, responsible officers' responses to these disclosures, and associated management strategies (where relevant).

All information relating to conflict of interest disclosures and the management of conflicts of interest will be managed by the Security and Integrity Department paying special attention to the individual's privacy. Such information may only be disclosed on a need-to-know basis for instance where access to the information is necessary for the conduct of a KenGen officer's official duties.

13.0 Responsible Officer

The Managing Director & CEO shall nominate the Security and Integrity Manager to be responsible for day-to-day management of this Policy and to ensure it is adhered to by all staff members.

14.0 Review of the Policy

This Policy shall be reviewed as and when a need arises.

This Policy was Approved on _____ 2019 By the Board of Directors

Effective Date of Implementation _____

15.0 Appendices

Appendix I

KENYA ELECTRICITY GENERATING COMPANY PLC

CONFLICT OF INTEREST DISCLOSURE FORM FOR ALL STAFF MEMBERS

Name (in full) & Staff Number

Division/Department/Area as Appropriate

Date

Designation

It is the policy of **Kenya Electricity Generating Company PLC (KenGen)** to address how issues of actual, potential and perceived conflicts of interest involving directors and employees of the Company shall be identified, disclosed and managed. This form is designed to identify and disclose known conflicts in an effort to properly manage them.

I have read KenGen's Conflict of Interest policy (Attached) approved by the Board of Directors onand understand that as an employee of the Company, it is my obligation to act in a manner which promotes the best interests of the KenGen and to avoid Conflicts of Interest when making decisions and taking actions on behalf of KenGen.

My answers to this disclosure form are correctly stated to the best of my knowledge and belief. Should a possible conflict of interest arise in my responsibilities to KenGen, I recognize that I have the obligation to notify, based on my position, the appropriate designated individual (Chairman of the Board, Managing Director, Head of Department, My Supervisor), and to abstain from any participation in the matter until the Company can determine whether a conflict exists and how that conflict shall be resolved. If any relevant changes occur in my affiliations, duties, or financial circumstances, I recognize that I have a continuing obligation to file an amended "Conflict of Interest Disclosure Form" with the appropriate designated office.

I understand that the information on this form is solely for use by KenGen and is considered confidential information. Release of this information within the Company will be on a need-to-know basis only. Release to external parties will be only when required by law and/or Company regulations.

Signature

Date

Appendix II: Questionnaire

Please complete the following questions, and submit this form to the appropriate designated individual (Manager, Security and Integrity).

1. Are you or a member of your immediate family an officer, director, trustee, partner (general or limited), employee or regularly retained consultant of any company, firm or organization that presently has business dealings with KenGen or which might reasonably be expected to have business dealings with KenGen in the coming year?

_____Yes _____No

If yes, please list the name of the company, firm or organization, the position held, and the nature of the business which is currently being conducted with KenGen or which may reasonably be expected to be conducted with KenGen in the coming year:

Company name:

Designation:

Nature of Business:

2. Do you or does any member of your immediate family have a financial interest, direct or indirect, in a company, firm or organization which currently has business dealings with KenGen or which may reasonably be expected to have such business dealings with the Company in the coming year?

_____Yes _____No

If yes, please list the name of the company, firm or organization, the nature of the interest and the name of the person holding the interest, and the nature of the business which is currently being conducted with the Company or which may reasonably be expected to be conducted with the Company in the coming year:

Company name:

Name of person with interest:

Nature of Business:

Nature of conflict of interest:.....

3. Do you or does any member of your immediate family have a financial or personal interest in an entity in which the Company has a financial or other vested interest.

_____Yes _____No

If yes, please provide details below:

.....

4. Have you or an immediate family member accepted gifts, gratuities, accommodation, dining, or entertainment that might reasonably appear to influence your judgment or actions concerning the business of the Company?

_____ Yes _____ No

If yes, please provide details below:

.....

5. Do you have any other interest or role in a firm or organization, where that interest or relationship might reasonably be expected to create an impression or suspicion among the public having knowledge of your acts that you engaged in conduct in violation of your trust as a director or staff member? _____ Yes _____ No

If yes, please provide details below:

.....

If any material changes to the responses provided on the annual disclosure form occur before the next form is due, the Director or employee is required to update the Information on this form in writing, and submit the update to the (Chairman of the Board, Managing Director, Manager, Chief Integrity Officer and the Company Secretary)

Appendix III**KENGEN CONFLICT OF INTEREST REGISTER FOR EMPLOYEES**

No.	Name of Employee	Position/ Title & Staff/ No	Date advised of interest/ meeting Date	Nature of potential/ perceived conflict and estimated value (if known)	Action taken to mitigate risk/ Name of officer taking action	Date implemented	Remarks
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							