



# Corporate Disclosure Policy

## 1. INTRODUCTION

As a public listed company, Home Afrika Limited (“the Company” or “HAL”) and its subsidiaries (“the Group”) are committed to provide accurate, timely, consistent and fair disclosure of corporate information to enable informed and orderly market decision by investors. This information is directed to a diverse audience made up of shareholders, stakeholders and the public generally.

In formulating this policy, the Company has considered the recommendations contained in the Code of Corporate Governance Practices for Issuers of Securities to The Public 2015 and its disclosure obligations contained in all other legislations and laws regulating the actions of Public companies in Kenya and will be compliant with all applicable regulation and laws.

## 2. RATIONALE AND OBJECTIVE

The rationale and objectives of this Policy are as follows :

- i. to raise awareness and provide guidance to the Board of Directors ,Management, Officers and Employees on the Company as regards disclosure requirements and practices;
- ii. to provide guidance and policies in disseminating corporate information to, and in dealing with shareholders, stakeholders, analysts, media, regulators and the investing public;
- iii. to effectively increase understanding of the Company’s business and enhance its corporate image by encouraging practices that reflect openness, accessibility and co-operation; and
- iv. to reinforce HAL’s commitment to compliance with the continuous disclosure obligations imposed by Kenyan securities law and regulations and the Growth Enterprise Market Sector (GEMS) Listing Requirements of the Capital Markets Authority (“CMA”), Nairobi Securities Exchange (NSE);
- v. to build good investor relations with the investing public that inspires trust and confidence.

## 3. DEFINITIONS

- i. “Authorized persons” refers to company employees and Board directors authorized to make any statements directly to the public and media ;
- ii. “Board” refers to all the directors of the company;
- iii. “Information” refers to data that is accurately organized and addresses a specific matter
- iv. “CDC” refers to the Corporate Disclosure Committees members tasked with the management of company information;
- v. “Confidential Information” refers to means official information/document that is intended to be kept secret and accessed by only those entrusted with such information/document;
- vi. “CMA” refers to the regulator Capital Markets Authority;
- vii. “NSE” refers to the regulator Nairobi Securities Exchange;
- viii. “Material information” refers to any information relating to the business, operations, business strategies and financial performance of the Company that would reasonably be expected to result in a significant change in the market price, value or market activity of the Company’s securities; or the decision of a holder of securities of the Company or an investor in determining his choice of action

#### **4. SCOPE AND APPLICATION**

- i. The Policy outlines the Company's approach towards the determination and dissemination of material information, to maintain confidentiality of information, preventing abuse of undisclosed material information, monitoring of market rumors, management of responses to leaks and inadvertent disclosure. It also provides guidelines for achieving consistent disclosure practices across the Group.
- ii. The Policy applies to the conduct of all directors, officers and employees of the Company and its subsidiaries and those authorized to speak on their behalf. This Policy covers, but is not limited to the following:
  - a. Disclosure documents filed with the Kenyan Securities Regulators and written statements made in the Company's annual integrated and financial reports;
  - b. Financial and non-financial disclosure;
  - c. Press releases;
  - d. Letters to shareholders;
  - e. Presentations by senior management;
  - f. Information uploaded on the Company's website and other electronic communications;
  - g. Oral statements made in group meetings, individual meetings and telephone conversations with members of the investing community (which includes analysts, investors, investment dealers, brokers, investment advisers and investment managers) or with employees;
  - h. Interviews with the media;
  - i. Speeches;
  - j. Industry and investor conferences;
  - k. News conferences;
  - l. Conference calls; and
  - m. Any other dealings with the general public.
- iii. This Policy does not apply to communication made in the ordinary course of business of the Company and its subsidiaries not involving material information.

#### **4. STRUCTURE FOR CORPORATE DISCLOSURE**

The Board is ultimately responsible for ensuring that the Policy is implemented effectively, and the disclosure requirements as set out are fulfilled.

The implementation of the Policy is delegated by the Board to the Corporate Disclosure Committee.

- i. The Members of Corporate Disclosure Committee ("CDC") are as follows:
  - Managing Director
  - Chief Finance Officer
  - Manager Marketing, Branding & PR
  - Manager Legal & Compliance
  - Commercial Manager
- ii. The CDC will be responsible for the following:
  - To oversee the Group's disclosure controls and procedures and ensure adherence to the Policy;

- Ascertain if any corporate developments, transactions and other events constitute material information and if so, ensuring the procedures outlined in the Policy are fully adhered to;
- To respond to any queries raised by CMA & NSE ; and
- Review and update the Policy to ensure compliance to all regulatory requirements, from time to time.

iii. Authorized Spokespersons

The company designates a limited number of spokespersons (“Authorized Spokesperson(s)”) responsible for communication with investment community, regulator or the media.

The list of the Authorized Spokespersons is as follows:

**Primary Spokespersons**

- a. Chairman
- b. Managing Director

**Secondary Spokespersons**

- a. Chief Finance Officer
- b. Manager, Marketing Branding & PR

*Note:*

1. *There could be blanket delegation on routine matters, in absence of any Authorized Spokesperson(s) for matters which delegation is possible.*
2. *The Secondary Spokespersons are only authorized to communicate with outsiders with prior consent or being authorized by the Primary Spokespersons.*
3. *Primary Spokespersons shall be updated by Secondary Spokespersons on the progress or outcome of matters.*

iv. The Authorized Spokespersons are authorized to deal with all aspect of the following matters:

- Company’s operations;
- Financial positions;
- Future prospects;
- Strategies;
- Governance;
- Management; and
- Products and services.

v. Authorized spokespersons in response to the specific enquiries from the Public, shall not disclose material information that has not been previously made public.

vi. Employees other than the authorized spokespersons shall not respond to queries from investment community or media unless authorized to do so by the authorized spokesperson.

vii. If there is any ambiguity about the appropriateness of supplying information to an outsider, the authorized spokespersons should be contacted for guidance on parameters for disclosure.

## 5. MAINTAINING CONFIDENTIALITY

Any employee, who is privy to confidential corporate information is prohibited from communicating such information to anyone else, unless required in the course of business or required by law or authorized by the CDC. Efforts will be made to limit access to such confidential information to only those who “need to know” the information. Outside parties privy to undisclosed material information concerning the Company will be told that they must not divulge such information to anyone else. Management shall ensure that such outside parties confirm their commitment to non-disclosure under a written confidentiality agreement.

For prevention of misuse or inadvertent disclosure of material information, the following general procedures should be observed at all times:

i. **Security**

Documents and files containing confidential information should be kept in a safe place or within the Company’s secured IT system, with accessibility restricted to individuals who “need to know” in the necessary course of their work. Code names and passwords should be used, where necessary.

ii. **Prohibition to discuss in public places**

Confidential matters should not be discussed in places where the discussion may be overheard, including but not limited to, elevators, hallways, bars, restrooms, airplanes or taxis.

If confidential matters must, of necessity or urgency, be discussed on wireless devices in public places, caution should be exercised by the participants. In such cases, the identity of any relevant party should be cryptic or in code.

iii. **Exercise caution when reading confidential documents with devices**

One should exercise caution when reading of confidential documents on smart phone(s) or other personal digital assistant devices in public places.

iv. **Accompanying visitors**

Visitors should be accompanied by Company personnel to ensure that they are not left alone in offices or locations containing confidential information.

v. **Minimal participation in social media on matters relating to Company**

To mitigate the risk of inadvertently disclosing or publishing material and non-public information, employees are not encouraged to participate in Internet blogs, chat rooms, similar social media forums (such as Twitter, LinkedIn or Facebook) or newsgroup discussions on matters pertaining to the Company’s business and affairs or its listed securities unless authorized to do so by an Authorized Spokesperson.

## 6. DISCLOSURE PROCEDURES AND CONTROLS

### 6.1 Material Information

Material information is generally considered to be any information relating to the business, operations, business strategies and financial performance of the Company that results in, or would reasonably be expected to result in a significant change in:

- i. the market price, value or market activity of the Company's securities; or
- ii. the decision of a holder of securities of the Company or an investor in determining his choice of action

## **6.2 Types of events which may require immediate announcement to CMA**

The following are some examples of events which may require immediate disclosure to CMA by the Company, the list is not exhaustive, and the Company has to exercise its own judgement in making materiality determination:

- i. the entry into a merger or acquisition agreement with another company;
- ii. the acquisition or loss of a contract, franchise or distributorship rights;
- iii. a change in Board membership; or
- iv. a change in capital investment plans;

### **i. Responsibility to report on significant Corporate Development**

- i. it is essential that the CDC and Authorized Spokesperson be fully informed of all Company's developments that could potentially impact the disclosure process.
- ii. It is the responsibility of the managers in respective departments to keep the CDC and the Spokespersons fully apprised of all significant developments in the company so as to :
  - a. facilitate determination of materiality, appropriateness and timing for public disclosure of the information, or whether the information should remain confidential;
  - b. ensure appropriate understandings of significant developments and updates which may be relevant to ongoing communications with the investing public; and
  - c. avoid denying significant developments when in fact, such developments are occurring.

## **6.3 Procedures for disclosure**

- i. All Company releases of announcements of Material information to CMA & NSE will be managed by the CDC.
- ii. The finance, legal or relevant department will be required to review or verify data(s), as and when is necessary.
- iii. All announcements will be approved by the MD or Chief Finance Officer; or their designate before the release.
- iv. For news/ media releases through the Marketing, Branding & PR Department, the CDC has the overall responsibility to ensure that the contents are clearly and effectively communicated to the intended substance and meaning of the information to the Public.
- v. To ensure widest possible public dissemination, once the announcements or media releases been made, it must also be posted and made available on the Company's website.
- vi. Upon dissemination of the announcement and media releases, the CDC and Marketing Branding & PR Department shall ensure accurate media reporting and will take any corrective measures, if necessary.

### **ii. Disclosure Principles**

HAL shall disclose material information based on the following five disclosure principles:

- i. **Transparency:** information shall be disclosed in a factual and truthful manner, regardless of the content.
- ii. **Timeliness:** information shall be disclosed promptly, without delay, following occurrences that warrant disclosure.
- iii. **Fairness:** information shall be disclosed fairly to our various shareholders and stakeholders.

- iv. **Confidentiality:** information shall not be disclosed to third persons before information has officially been announced by the company.

### iii. **Disclosure Guidelines**

In complying with the requirement to disclose all material information under applicable laws and in a timely manner, the Company's staff shall adhere to the following basic disclosure guidelines:

- i. **Immediate announcement** : subject to the terms of this Disclosure Policy, material information will be announced immediately to CMA & NSE first and made available at the Company's website. The events which requires immediate announcements are as per The Capital Markets (Securities) (Public Offers, Listing And Disclosures) (Amendment) Regulations, 2016, or as shall be amended from time to time.
- ii. **Material information to be temporarily kept confidential if detrimental to the interest of the Company:** Material information may be kept confidential temporarily if the immediate release of the information would be unduly detrimental to the interests of the Company. In such cases, the information will be kept confidential until the Disclosure Committee determines it is appropriate to publicly disclose or that the Company has a legal obligation to do so.
- iii. **Factual and non-speculative disclosure:** disclosure must be factual and non-speculative and must include any information the omission of which would make the rest of the disclosure misleading.
- iv. **Prompt disclosure of unfavorable material information:** Unfavorable material information must be disclosed as promptly and completely, consistent to favorable information.
- v. **Inadvertent disclosures to be disclosed immediately via announcements:** if previously undisclosed material information has been inadvertently disclosed, such information must be broadly disclosed immediately via announcements. In certain circumstances, applicable securities laws allow for selective disclosure where doing so is in the necessary course of business.
- vi. **Immediate correction of material error in disclosure:** Disclosure must be corrected immediately if the Company subsequently learns that an earlier disclosure by the Company contained a material error at the time it was originally distributed.
- vii. **Rumors and Reports** : The Company does not comment on rumors unless there is significant reaction in the market for the Company's listed securities. The Company's Authorized Spokespersons or designates will respond consistently to all verbal rumors, saying, "*It is our policy not to comment on market rumors or speculation.*" However, should rumors be published in the printed form and relate to specific material information, the Disclosure Committee shall consider the matter and undertake due enquiry before deciding on the form of statement to be made regarding the rumor.
- viii. **No informal meetings or "off the record" comments:** there shall not be any "informal meetings" or make any "off the record" comments made by any person.
- ix. **Equal access to material information:** All investors must have equal access to material information. Selective disclosure is not allowed.

### iv. **Response to Rumors or Reports**

- i. In the event HAL becomes aware of any rumor or report, true or false, that contains material information, the Company may make due enquiry and immediately publicly clarify, confirm or deny the rumor or report. The Company may publicly clarify any

rumor or report which is in any form whatsoever and howsoever including that by word-of-mouth and not limited to an article or otherwise, published in a newspaper, newswire, magazine, a broker's market report or any other publication. It however remains discretionary on whether or not to respond to rumors.

- ii. In the case of a rumor or report containing erroneous material information which has been circulated, the Company may immediately announce to the CMA and its shareholders a denial or clarification of the rumor or report and provide facts sufficient to support the denial or to clarify any misleading aspects of the rumor or report. A reasonable effort is expected from HAL to bring the announcement to the attention of the particular group that initially distributed report. In the case of an erroneous newspaper article, for example, this should be done by sending a copy of the announcement to the newspaper's financial editor, or in the case of an erroneous broker's market report, by sending a copy to the broker responsible for the report.
- iii. In the case of a rumor or report containing material information that is correct, an announcement setting forth the facts must be prepared for public release, which must include but not be limited to, an indication of the state of negotiations or of corporate plans in the rumored area. Such announcements are essential even if the matter has yet to be presented to the board of directors for consideration.
- iv. In the case of a rumor or report predicting future sales, earnings or other quantitative data, no response from the Company is ordinarily required. However, if such a report is manifestly based on or contains erroneous information, or is wrongly attributed to the Company, the Company must respond promptly to the supposedly factual elements of the rumor or report. In addition, HAL must include in the announcement a statement to the effect that the it has made no such prediction and currently knows of no facts that would justify making such a prediction.

**v. Forward-looking Information**

- i. From time to time, HAL may convey its future direction to the public in order to assist the market to accurately value the Company's securities. HAL shall only discuss general trends, events, commitments and uncertainties that are reasonably expected based on historical and currently known data.
- ii. Documents containing forward-looking information will be accompanied by a "Cautionary Statement" which cautions the reader on the risks and uncertainties that could cause actual results and developments to differ materially from those envisaged in the forward-looking information. It includes a statement to disclaim the Company's intention or obligation to update the forward-looking information, whether as a result of new information, future events or otherwise.

**7. Communications with Financial Analyst, Media and Investing Public**

**i. Analysts, Investors and the Media**

- a. Authorized Spokespersons may meet with analysts, institutional investors, media and other market professionals on an individual or group basis as needed and will initiate contacts or respond to their calls in a timely, consistent and accurately in accordance with this Policy.

- b. If during such meetings or responses to the calls, there is inadvertent selective disclosure of previously undisclosed material information, the Company will immediately disclose such information via Public Disclosure Materials.

**ii. Investor & Industry Conferences**

- a. Copies of presentations made during investor meetings will be made available on the Company's website.

**iii. Analyst Reports**

- a. Analysts may from time to time request the Company to review draft analysts' reports and only Authorized Spokespersons will comment on such reports. Comments will be limited to identifying publicly disclosed factual information that could affect the analyst's model and to pointing out inaccuracies or omissions with reference to publicly available information. The Company will not attempt to influence an analyst's conclusions.
- b. The Company will not externally distribute analyst's research reports but, if requested, will advise which analysts follow the Company, accompanied by an appropriate disclaimer that the view expressed in any reports, including all forward-looking information, are the views of the analysts and not of the Company.

**v. Review of presentations and hand-out materials**

- a. All Employees should provide an advance copy of all presentation materials to the CDC who will review the presentation material, handouts and speaking notes for accuracy and consistency with other public disclosures.

**vi. Feedback & Company's website**

- a. The Company has developed various channels (email, phone numbers, social media accounts or constructive engagements) for shareholders and major stakeholders to provide their comments and feedback in relation to the Group's operational, performance, governance and strategic matters.
- b. The Company will consider the relevant comments and feedback received in establishing its corporate strategy.
- c. The Company's website, [www.homeafrika.com](http://www.homeafrika.com) is also an avenue for the shareholders, stakeholders and investing public to access information pertaining to the Company.

**8. Policy Review**

This policy shall be reviewed periodically by the Board in accordance with the needs of the Company.

**9. Contact Details**

The primary contact persons for CMA & NSE matters are:

- The Managing Director;
- The Chief Financial Officer; and
- The Legal & Compliance Manager.

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