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## RELATED PARTY TRANSACTIONS POLICY

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## 1. Preamble

This Policy is intended to enable the Board of Home Afrika PLC (HAL) to consider the approval and reporting of transactions between HAL and any of its directors or management and registered persons related to them and not limiting to employees. Such transactions are appropriate only if they are in the best interest of HAL and its Shareholders. Therefore, the Board has adopted this Related Party Transactions Policy (the "**Policy**") to ensure that all Related Party Transactions (as defined below) shall be subject to review, approval or ratification following the procedures set forth below.

## 2. Definitions

For purposes of this Policy, the following terms shall have the following meanings:

- i. "**Immediate Family Member**" means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of a person, and any person (other than a tenant or an employee) sharing the household of such person.
- ii. "**Related Party**" means any person who is or was (since the beginning of the last fiscal year for which the Company has filed requisite appointments at the Companies Registry, even if such person does not presently serve in that role) an employee, an executive officer, director or alternate for director of the Company, any shareholder owning more than 5% of the company's shares, or an Immediate Family Member of any such person.
- iii. "**Related Party Transaction**" means any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships, in which (a) the Company or any of its subsidiaries is or will be a participant, (b) the contract sum exceeds the sum of Kenya Shillings Ten Million (Kshs. 10,000,000/-); and (c) any Related Party has or will have a direct or indirect monetary interest. This also includes any material amendment or modification to an existing Related Party Transaction.

## 3. Procedures

- 3.1. Before entering into a Related Party Transaction, the Related Party (or if the Related Party is an Immediate Family Member of an executive officer or director of the Company, such executive officer or director) shall notify the Chair of the Nominations & Governance Committee of the facts and circumstances of the proposed transaction. In the case of employees, they shall table the proposal through the Managing Director who shall table the proposal to the nomination & governance committee. The Committee Chair will report the Related Party Transaction, together with a summary of the material facts, to the Board for consideration at the next regularly scheduled Board meeting and this shall be captured in a register prepared by the committee.
- 3.2. The Board shall review all of the relevant facts and circumstances of all Related Party Transactions and either approve or disapprove of the entry into the Related Party Transaction, subject to the exceptions described below. In determining whether to approve or ratify a Related Party Transaction, the Board shall take into account, among other factors it deems appropriate:
  - 3.2.1. whether the transaction was undertaken in the ordinary course of business of the Company;
  - 3.2.2. whether the Related Party Transaction was initiated by the Company, a subsidiary of the Related Party;
  - 3.2.3. whether the transaction with the Related Party is proposed to be or was, entered into on terms less favorable to the Company than terms that could have been reached with an unrelated third party;
  - 3.2.4. the purpose of, and the potential benefits to the Company of, the Related Party Transaction;
  - 3.2.5. the approximate Kenya Shillings value of the amount involved in the Related Party Transaction, particularly as it relates to the Related Party;

**3.2.6. the Related Party's interest in the Related Party Transaction; and**

3.2.7. any other information regarding the Related Party Transaction or the Related Party that would be material to investors in light of the circumstances of the particular transaction.

3.3. The Board shall review all relevant information available to it about the Related Party Transaction. It may approve the Related Party Transaction only if the Board determines in good faith that, under all of the circumstances, the transaction is in the best interests of the Company and its shareholders. The Board, in its sole discretion, may impose such conditions as it deems appropriate on the Company or the Related Party in connection with the approval of the Related Party Transaction.

3.4. If a Related Party Transaction involves a Related Party who is an employee of the company, a director or an Immediate Family Member of a director, such director may not participate in any discussion or vote regarding approval or ratification of approval such transaction. However, such director shall provide all material information concerning the Related Party Transaction to the Board. Such director may be counted in determining the presence of a quorum at a meeting of the Board that considers such transaction.

3.5. If the Company becomes aware of a Related Party Transaction that has not been approved under this Policy, the Related Party Transaction shall be reviewed per the procedures set forth herein and, if the Board determines it to be appropriate, ratified at the Board's next regularly scheduled meeting. In any case, where the Board determines not to ratify a Related Party Transaction that has been commenced without approval, the Board may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction, or modification of the transaction to make it acceptable for ratification.

**4. Ongoing Transactions**

If a Related Party Transaction will be ongoing, the Board may establish guidelines for the Company's management to follow in its ongoing dealings with the Related Party. Thereafter, the Board, on at least an annual basis, shall review and assess ongoing relationships with the Related Party to ensure that they are in compliance with the Board's guidelines and that the Related Party Transaction remains appropriate.

**5. Existing Policies and Procedures**

Related Party Transactions must also comply with the Company's existing policies and procedures, including the Directors Board Charter and Conflict of Interest Policy.

This Policy shall be amended from time to time as the need arises, which amendments shall be approved by the Board of Directors.

**APPROVED** by the Board of Directors on the [ 28<sup>th</sup> ] day of ..... July ..... 2021

Chairman of the Board

Date

Seconded By:

Director