NYERI WATER AND SANITATION COMPANY LIMITED

CODE OF ETHICS FOR MEMBERS OF THE BOARD OF DIRECTORS

Vision

"To be a world class water and sanitation services provider"

Mission

To provide reliable quality water, sanitation and allied services at environmentally and economically sustainable levels through application of innovative processes and appropriate technology to the delight of our customers and other stakeholders.

Motto

"For Quality Water"

Core Values

Core Value	Conceptual Meaning
Customer Centric	Putting customer first and core of the business
Professionalism	Reliability, Competence, Dependability and Respect
Innovativeness	Ability to challenge the industry norms and provide solution
Teamwork	Harnessing contribution of every partner
Integrity	Guided by sound moral and ethical principles
Responsiveness	Providing value within acceptable time
Result Oriented	Focus on outcomes

1.0 INTRODUCTION

NYERI WATER AND SANITATION COMPANY is registered as a company limited by shares pursuant to the Companies Act, 2015 and is appointed to provide water and sanitation services in Nyeri Sub County and its environs. The Board must therefore ensure that there is economy and efficiency in the utilization and management of these allocated resources and that the public experiences change in the provision of water services within the Board's area of jurisdiction, as prescribed in the Strategic Plan.

The Board members are keen in ensuring that they embrace the principles and ethos of Corporate Governance, which include accountability, effectiveness, efficiency, probity, integrity, responsibility, transparency and open leadership in the management of the resources and to bring the levels of governance in the Company to par with International Standards.

Corporate governance encompasses the entire structure and processes that steer the strategic direction of an entity. This structure includes the board of directors, management and other stakeholders. Through governance, a company is expected to be progressively efficient, effective, reduce and safeguard against the various risks (business, operational and reputational) among others. Further, this structure reduces the probability of mismanagement of resources. Governance sets the tone on controls (financial, administrative) and sets the ethical calibrations for the team working in a company.

To show commitment to proper utilization and management of public resources and proper running of the Company's affairs, Nyeri Water and Sanitation Company has developed a Code of Ethics to be signed by all the Board members.

1.1 PREAMBLE

A Code of Ethics is a definition of the guiding ethical principles that are considered essential in providing guidance and direction in the manner in which members of the Board of Directors are expected to conduct themselves when handling matters relating to the Company.

This Code is derived from the Company's Strategic Plan which has identified seven key strategic objectives and success factors as follows: -

Key Success Factors

The Strategic planning team deliberated on the key success factors in the Water Sector. These are the factors that affect the ability of any organization within the sector or industry to succeed and an organization must develop competencies in the industry's key success factors if it has to remain successful. These were identified as:-

- Adequate Financial Capability
- Good product quality
- Excellent customer service
- Suitable Human Resource Skills
- Sustainable Price to Cost ratio

Strategic Objectives

The main thrust in 2021 - 2026 Strategic Plan was in the realization of the following seven strategic objectives:

- Ensure the company is driven by the principles & practices of good governance that can withstand the test of time.
- Ensure that the company is financially viable.
- Advance and automate operations and services for enhancement of service delivery.
- Provide water and sanitation services in an efficient, effective, affordable and sustainable manner to LIA residents and other consumers.
- Attract, develop and maintain adequate, qualified and competent staff.
- Invest in environmental consciousness among stakeholders ultimately sustaining water quality and pollution control management.
- Invest in growing partners and collaborate with appropriate government and private sector to achieve the company's vision.

The Code is aimed at ensuring that the principles of Corporate Governance are understood, embraced and adhered to by the Board Members in order to achieve the set organizational goals and objectives.

The Board members are committed to observing the Code of Ethics in order to achieve the mission, vision, strategic objectives and the sustainable development goals as spelt out in the Strategic Plan.

The Board is confident that with this Code of Ethics, the Company will be able to achieve economy and sustainability in the provision of water and sanitation services within its area of operation.

1.2 COMMITMENT TO THE TENETS OF THE CODE

I, ……………………………………………………………………… a Member of the Board of Directors of Nyeri Water and Sanitation Company, do solemnly and sincerely swear that I shall at all times, abide by the following tenets: -

Tenet 1: Primary Duty

I recognize that I shall at all times respect my primary duty of acting in the best interest of Nyeri Water and Sanitation Company and exercise my powers in good faith.

Tenet 2: Transparent and Open Leadership

I shall at all times uphold the core values of Nyeri Water and Sanitation Company of Customer Centric, Professionalism, Innovativeness, Teamwork, Integrity, Responsiveness, Result Oriented and shall exercise transparency, enterprise and openness in directing Nyeri Water and Sanitation Company towards achieving its Mission and Vision. Where I suspect wrongdoing, either on the part of a Director or a member of staff, I shall raise my concern(s) through the Board.

Tenet 3: Provide Direction to the Company

I recognize that for Nyeri Water and Sanitation Company to achieve its goals, there must be a Strategic Plan in place. I shall individually and collectively participate in providing direction by ensuring that an implementable strategic plan is in place and is understood by the Board, the Management and staff of the Company.

Tenet 4: Attendance of Board and Board Committee Meetings

In order to bring effectiveness in the governance of the Nyeri Water and Sanitation Company as a business enterprise, I shall devote such time as is required of me by the Board to prepare, attend and effectively participate in meetings of the Board and Board Committees where I am appointed.

Tenet 5: Accountability

Corporate Governance calls for proper utilization of allocated resources and this calls for transparency and accountability. I shall be honest and open in all the transactions pertaining to the Board and will be responsible and answerable to the Board; and to the laws and regulations pertaining to such appointment.

Tenet 6: Effectiveness and Efficiency

The Board has a great responsibility in accounting for the management of public resources. To this end, I shall individually and collectively be effective and efficient in the administration of the Board policies to ensure proper resource management.

Tenet 7: Integrity

Integrity is key to the success of any organization. I shall always uphold and practice integrity in the administration of the Board activities to ensure positive image of the Board and the Company, and I will not involve myself in activities that may be prejudicial, injure and/or bring into disrepute the image of the Company.

Tenet 8: Social and Environmental Responsibility

I recognize that for the Company to achieve its objectives, it must know who its stakeholders are and take into account the relationship it maintains with the stakeholders. I shall take it upon myself to know the Company's stakeholders and to guard their interests to ensure that all their needs are appropriately addressed. I shall participate, when called upon, in social welfare activities organized by the Company aimed at bringing about sustainable development in the community.

Tenet 9: Non-Interference with the Daily Operations of the Company

I acknowledge that the Board of Directors will always provide direction for the Company. However, I shall not interfere with the day-to-day operations of the Company. This shall be left entirely to the Management.

Tenet 10: Compliance with Statutory Requirements

There are various laws and statutes that govern Nyeri Water and Sanitation Company as a company registered under the Companies Act, 2015. I shall familiarize myself with such Laws and Statutes and ensure strict compliance of the same.

Tenet 11: Compliance with Systems, Rules and Regulations of the Company

For any organization to observe corporate governance, rules, regulations and systems must be put in place. I shall participate in the development and implementation of systems, rules and procedures for the Company and will endeavor to familiarize myself and comply with all the said rules, systems and procedures to ensure smooth operations in the Company.

Tenet 12: Disclosure of Interest

I shall declare my interest or any potential interest in any matter before the Board, before the said matter is considered and deliberated upon. Subject to the direction of the Board, I will excuse myself from any discussion, decision and taking position(s) in such a matter.

Tenet 13: Confidentiality

I shall take necessary precautions to preserve confidentiality by not divulging any confidential information that is communicated to me in the course of my duties in my capacity as a Board member, unless authorized to do so by the Board of Directors.

Tenet 14: Preserve Independence

I undertake to preserve independence of analysis, judgment, decision and action and to resist any pressure, direct or indirect, whether by fellow directors, suppliers or more generally, any third party.

Tenet 15: Gifts

I shall ensure that I do not directly or indirectly solicit, accept or receive any gift, payment or other consideration from any person in return for providing any improper business or other unethical advantage to such a person, or his/her agent.

Tenet 16: Misuse of the Company's Property

I shall not, directly or indirectly use or allow use of any of the Company's property for my own personal gain or for any other reason other than for approved Company activities.

Tenet 17: Relations with Interest Groups

I shall not, knowingly, enter into, or continue any business relationship with any interest group(s) knowing that such relationship may prejudice my integrity and reputation while carrying out official duties and responsibilities for the Company.

Tenet 18: Use of Company's Name for Personal Advantage

I acknowledge that the Company's name, logo, letterheads and other facilities belong to the Company. I shall not use the Company's name or other facilities for personal advantage in political, commercial or retail purchasing transaction or in similar types of activities.

Tenet 19: Communication with the Customers and the Public

Proper communication to the Company's public is considered key in expounding the Company's Mission, Vision and Values. I shall not communicate with the public unless the same is authorized by the Board.

When I do, I shall communicate with the customers, public officers and the general public courteously, clearly and effectively. So far as possible, I shall use simple language and avoid ambiguity, obscurity and unnecessary use of complicated jargon, and I shall at all times uphold and guard the interest of the Company.

Tenet 20: Involvement in Legal Issues

I shall immediately and officially notify the Board of any summons or other legal issues which may involve me and the Company in litigation, charges of fraud, corruption or other matters that may be to the prejudice of the Board and bring the Company into disrepute and/or loss.

Tenet 21: Promoting Anti-Corruption Activities

I acknowledge the fact that corruption is "evil" and it can easily bring down an organization. I shall oppose corruption and support the vision, mission and values of the Company and play an active voluntary role in promoting anti-corruption activities in the Company. I shall also comply with all statutes, laws and governing policies that relate to corruption and corrupt activities. If I discover any corruption or corrupt activity in the Company, I shall immediately report the same to the Board.

Tenet 22: Promoting Team Work

Team synergy is key for increased efficiency in the Company. I shall promote teamwork by ensuring that I live up to the Company's core values of Customer Centric, Professionalism, Innovativeness, Teamwork, Integrity, Responsiveness and Result Oriented.

Tenet 23: Hospitality

I shall be at liberty to offer and accept entertainment and hospitality in the course of business provided that it is modest, does not exceed reasonable business practice and is permissible under all applicable laws.

Tenet 24: Official Communication with Members of Staff

There is need, in any organization, to preserve the chain of command to ensure free flow of the right information. I shall ensure that any communication with members of staff shall be made through the Managing Director or the holder of the office at any given time.

Tenet 25: Employment of Relatives and/or Friends
Proper recruitment is considered crucial by the Board. To ensure that the recruitment policy of the Company is adhered to, I shall not directly or indirectly influence the employment of my relatives, friends or any other person related to me in whatever way.

Tenet 26: Adherence to the Terms of Reference of the Board
In addition to the Laws and Statutes governing the Company, I shall at all times be guided by the Terms of Reference of the Board of Directors, and any other decisions of the Board made from time to time, in carrying out my duties and responsibilities as a Board Member.

Tenet 27: Breach of the Code
I accept that in the event that I am found to be in breach of any of the above tenets of the code, the Board may discuss my conduct and recommend my removal from the Board or any other appropriate sanction and penalty as it may deem fit and in accordance with the law.

Sworn by the said

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This ………... day of…………………………… 2026
before me

<u>**COMMISSIONER FOR OATHS**</u>