

Scangroup

Code of Conduct

Introduction to the Scangroup Code of Conduct

The Code of Conduct (“Code”) is an overview of fundamental Company policies and directives guiding our relationships with each other and with our stakeholders. This includes our Clients, Media owners, Suppliers, Shareholders and the Community at large.

This Code cannot anticipate every possible situation or cover every topic in detail. The central concept of the Code of Conduct is to confirm the Company’s commitment to the principles of ethical and lawful business conduct, and all of our business decisions should be evaluated in this light.

Employees are expected to understand and comply with the guidelines set forth in this Code. They should read the Code carefully to make sure they understand all of the provisions of the Code, the consequences of not complying with the Code, and the importance of the Code to the Company’s continuing success. All employees (existing and new) must sign a declaration of their observance of the Code pledging that they have read and understood the code and that they will abide by all of its provisions.

All employees are reminded of their obligation to act in utmost good faith, ethically and in the best interests of the Company.

Applicability of the Code

This Code applies to all employees of Scangroup, its subsidiaries and associate companies.

Compliance

Each employee is required to follow this Code in letter and more so in spirit as well as with all applicable laws and other Company policies and directives. Failure to do so may result in disciplinary action including termination of employment and in appropriate cases civil and criminal liability. Additional responsibility for compliance is placed on Managers. They must lead by example. It is important that all Managers report all instances of violations to the Group HR Manager as soon as the same come to their attention with a view to addressing the non-compliance immediately. In urgent circumstances they are required to take immediate measures to forestall the commission of violation of the Code or furtherance of the same.

Reporting Violations

Employees are encouraged to report any conduct that they believe, in good faith, to be a violation of laws or the Code to the Group HR Manager. This includes violations in relation to accounting, internal accounting controls, auditing matters, or any deceptive financial practices. The first point of call on seeking guidance is with a face to face meeting with your immediate manager. If an employee is not comfortable talking to their Manager or has reservations after doing so, they should consult another Manager or any of the following:-

- Group HR Manager
- Group Company Secretary & Head of Legal
- Chief Finance Officer
- Chief Executive Officer
- The Chairman of the Board of Directors

The Company will not allow any discrimination or retaliation action against employees for having, in good faith, reported violations or suspected violations of the Code or disclosures required under the Code. A 'good faith' report means the information given is given in the belief that the same is true and with no ill intentions. If you believe or are subjected to retaliation, please contact any of the staff listed above. You are assured of confidentiality on all reports and disclosures made. Employees might be called upon to help with investigations relating to a breach of this Code by being asked to provide more information.

Conflict of Interest

Conflict of Interest occurs when our personal or family interests interfere or appear to interfere with our ability to make sound business decisions on behalf of the Company. All employees are reminded to avoid situations that could create an appearance of a bias and in particular that they should have no relationship with clients, media owners and suppliers that may conflict or appear to conflict with their obligation to act in the best interests of the Company. Accordingly, no employee should directly or indirectly accept or solicit any inducement (monetary or otherwise) from any client, media owner or supplier that may compromise or appear to compromise their judgment in business dealings with that client, media owner or supplier. Employees are encouraged to disclose to the CEO any attempt by any client, media owner or supplier to compromise them. This may be done through anonymous communication or in person. In both cases, the information shall be treated as strictly confidential and will only be used to investigate and put in place measures to safe guard the interests of the Company.

Disclosure of conflicts of interest

The Company requires that employees disclose situations or transactions that present conflict of interest or, that would reasonably be expected to give rise to conflict of interest. Disclosure should be to the Group HR Manager or the CEO. While it is not possible to address all areas of conflict of interest or potential conflict of interest below are common situations where conflict of interest can occur.

i. Doing business with family or friends

Employees are required to disclose instances where they or their spouse, partner, child, relative or other family member has a direct or indirect stake, employment or any interest in the business of existing or potential vendor, client, media owner or competitor to Scangroup or a competitor to a client of Scangroup. Failure to report this will be deemed as conflict of interest.

ii. Outside Employment and Activities

Employees are also reminded of their obligation to devote the whole of their time to the business of the Company. Accordingly, employees shall not take on, either for themselves or on behalf of others, any work or assignment that competes with the business that the Company engages in now or has intention to do so. Currently this includes advertising, media planning and buying, creativeworks including modeling jobs, public relations, market research, branding and identity, digital, field marketing, activation, event management and any other business that the Company may get into from time to time.

Involvement in such business/activity or part-time employment outside the Company and office hours needs to be disclosed in writing to the CEO who will on a case-by-case basis issue a 'No Objection Letter' or agree on a timeframe for disengagement from such business/activity.

The Company encourages active citizenship and community service which may include serving on boards of non-profit, community or religious organizations. This does not require prior approval, as long as it does not interfere with your ability to do your work but must be disclosed if the Company will be involved in any business transaction with such entity. However this work should not be undertaken during working hours or using Company resources. In case of any doubt as to whether any work, service, or activity constitutes a breach of interest, you should consult the Group HR Manager

iii. Gifts and Entertainment

Good working relationships with clients and suppliers is encouraged and at times employees may be presented with gifts and entertainment offers. These gifts may include items of value, travel vouchers, meals, entertainment accommodation, favours and services accorded to an employee even if unaccompanied by the giver. Employees should be cautious when receiving such offers since this can give rise to conflict of interest by such an activity creating an obligation or making the receiving employee biased in future business dealings with the giver. All gifts and entertainment should be declared and recorded in the Gifts register maintained by the Group HR Manager. Receiving of gifts and entertainment is extended to include spouses, partners and relatives and are applicable all year round.

iv. Business Opportunities

Employees should not take business opportunities for themselves that are discovered in the course of their employment with the Company, as this could be contrary to the interests of the Company. Nor may they otherwise use the Company property, intellectual information, proprietary information, presentations and or documents prepared by the company or their position at the Company for personal gain. If an employee is presented with a business opportunity through the use of Company property or information or because of his/her position with the Company, and is within the Company's lines of business, then such an employee must present the business opportunity to the Company.

Asset Protection

The Company has a wide variety of assets, including physical assets, proprietary information and intellectual property. Employees have a responsibility to protect the Company assets and ensure their effective, efficient and appropriate use. Theft, carelessness, and waste have a direct impact on the Company's profitability. All Company assets must be used in accordance with applicable Company policies and procedures. All assets shall be used for official work only.

When employees leave the Company through resignation, termination or for whatever reason, they must return all Company assets, including documentation and any media containing the Company's proprietary or intellectual information.

Below are certain instructions for internal and external handling of information, communication systems and intellectual property.

Physical Assets

It is of paramount importance that we protect and use the Company's physical assets with respect and care protecting them from theft, damage, loss or misuse at all times. In addition, no employee is allowed to remove any of the Company's physical asset from the Company premises without the written authorization of his or her Manager. To do so will be a violation of this Code and subject to disciplinary action including termination. In appropriate cases, criminal and civil actions may also be instituted against such employee. Managers are required to authorize all equipment taken out of the Company premises for work related assignments.

Intellectual Property

As Company employees we are duty bound to protect all intellectual property created by the Company including ideas, processes and any work that may be deemed our own creation. The Company shall at all times have exclusive ownership of any intellectual property conceived by employees in relation or within their scope of work. The Company retains the rights to all the intellectual property created by employees even after they have left its employment.

Use of the Company's communication systems

The Company's communications systems, including connections to the Internet, should be used for conducting Company business only and consistent with various Company polices including the Acceptable Internet Use Policy.

Employees are encouraged to desist from unacceptable use of the Company communication systems which includes processing, sending, retrieving, accessing, displaying, storing, printing or otherwise disseminating material and information that is fraudulent, harassing, threatening, illegal, racial, sexually oriented, discriminatory, offensive or otherwise inconsistent with professional conduct. Breach of this is totally unacceptable and carries heavy disciplinary action. All electronic communication sent out of the Company network bears the Company signature and is identifiable with the Company. Electronic messages both personal and business are recoverable and storable data. Employees are all reminded to bear in mind that this communication can be forwarded or copied to third parties worldwide without their knowledge and consent. Employees are therefore requested to take utmost care and consideration of all electronic communication sent from the Company network at all times.

Employees are also reminded not to expect any privacy as they use the Company Information Technology network and facilities, the Company reserves the right to monitor all communication sent out from its network.

i. Business Records

As a listed Company we are obligated to provide our shareholders with full, accurate, timely and understandable information about our financial and operational results in accordance with the applicable laws. Our credibility is judged through the integrity in which we present our books and records at all times.

Accurate Data Entries and Records

We are obligated to make sure that all the information we record in the process of our day to day work is complete, accurate, accessible and protected. This information is used to arrive at business decisions as well as reporting to our investors and preparation of public financial results. The Company will not tolerate falsifying of information including expense claims, mileage claims, entertainment claims, timesheets, financial or business records or making of false statements to our external and internal auditors. Presentation of false information is against the law and the consequences are serious and detrimental to the image and credibility of the Company's internal system of control and well being of the Company.

If you are or become aware of a potential issue you are to raise your concerns immediately with the Company CEO for immediate investigation and action.

ii. Accurate Communication

All employees are requested to direct all inquiries from outside parties such as investors, analysts or the media to the CEO or Company Secretary for appropriate responses.

iii. Insider Trading

The Capital Markets Authority Act (CMA Act) has prescribed certain regulations that expressly prohibit the use of unpublished insider information. All employees shall act in strict compliance with insider trading rules and regulations. The complete regulations may be viewed on www.cma.co.ke.

Employees are not permitted to, directly or indirectly, buy or sell shares in any publicly traded company, including Scangroup Limited, while in possession of inside information regarding such company or to disclose inside information to anyone within or outside Scangroup including family, friends, co-workers or others.

“Inside Information” is non-public information. It is price sensitive; if it were to be generally known in the market, it would affect the price of Scangroup’s shares. It is impossible to give an exhaustive list of topics which are or may be price sensitive.

The onus is on the employee to ascertain that he or she is not in violation of the CMA act. Some common examples are:

- A proposed take-over or merger
- Actual or estimated profits or losses
- A decision relating to payment of dividends
- A significant new line of business
- Unusual borrowing
- Liquidity problems
- A potential insolvency

Employees are not permitted to comment about the Company or its affairs to the media, investors, financial or industry analysts, outside consultants, on Internet chat pages or other public forum without written approval by the CEO.

Safeguarding our relations with Clients and Business Partners

Ethical Business Practices

When dealing with clients we are committed to act within stringent measures of integrity and honesty and we are expected to follow the guidelines given below when dealing with clients:

- All communication must be made honestly and truthfully with terms of engagement clearly stated in an accurate and easy to understand manner
- Disrespectful or rude , verbal or written, or in any form will not be tolerated. If a difference with a client emerges that is beyond your authority you should escalate the same to your immediate manager.
- Confidentially, integrity and accuracy must be maintained at all times when dealing with client's records and business transactions.
- Our commitment is to serve diligently never making promises that we cannot keep to other parties.

We are to be extremely cautious at all times to ensure that we never engage or offer money or anything else of value considered as a bribe to anyone with whom we are doing business or might do business with in future if the purpose is to retain business, secure business or encourage the party engaged to do a corrupt, deceptive act.

Procurement Practices

We must abide to fair purchasing practices at all times making decisions fairly, objectively and in the best interest of the Company and clients. We should ensure we have vendor diversity and do not allow personal influences or prejudices to influence or appear to influence business decisions.

Competition

We must always strive to work within a fair competitive environment where we do not breach the competitions fair market play.

Working with Colleagues

No employee should be discriminated against because of age, race, gender, religion, H.I.V status, marital or maternity status, political opinion or ethnic background. All employees should know the basic terms and conditions of their employment.

Diversity

We work in an environment which calls for building on different talents and strengths and thrive in creating an all inclusive and collaborative environment that encourages growth and diversity yielding in success for the individual and Company as business partners and the need to respect this diversity is required of all Employees at all times.

Discrimination

Scangroup is an equal opportunity employer. We are expected to be committed to equal employment opportunity and fair treatment of all employees. All employment decisions, including recruitment, promotion, work assignment, training shall be made based on merit. If you know or suspect there is discrimination in the workplace you are encouraged to report the same to your immediate Manager or the Group HR Manager.

Harassment

Harassment in the workplace is deemed as an act or form of discrimination and it is to be avoided by all employees at all times. All forms of harassment including physical, sexual, visual or verbal is strictly prohibited. This includes any behavior that may be deemed offensive, behavior that may interfere with another employees work causing discomfort, intimidation or creation of a hostile work environment. No employee, irrespective of rank shall be allowed to use abusive or derogatory language against another employee. If you are being harassed or know or suspect that someone else is being harassed, report your concerns to your immediate Manager or the Group HR Manager.

Personal Relationships

Employees are discouraged from having personal relationships at work that may cloud their judgment or prevent them from making sound, objective business decisions. This means that employees should not have direct decision-making authority over employees over who are family members or with whom they are romantically involved with. Cross-hierarchy relationships should be disclosed immediately to the Group HR Manager.

Safety and Health in the Workplace

We are committed as a Company to provide a safe and healthy working environment for optimum performance. We each have a responsibility to meet this commitment by following all safety procedures initiated and implemented in the workplace as well as applicable laws and regulations as directed by governing bodies. If you are aware of an unsafe or potentially unsafe working condition you are requested to report this immediately to your Manager.

As we strive to promote a safe workplace, we must never tolerate or engage in any form of violence. Violence will be deemed to include threats or acts of violence, intimidation or attempts to instill fear in others. If you know of actual or potential violence in the workplace, report your concerns immediately to your manager. We are also expected to conduct all the Company business free from the influence of any substance that could impair our job performance. This will include alcohol, illegal drugs, controlled substances and in certain instances prescription medication that may hinder your performance in the workplace.

All Scangroup premises are non-smoking zones. Any violation of this will attract disciplinary action. Non-compliance of this provision will also attract fines and penalties as stipulated under the application legislation.

Community Partnerships

Social Responsibility and Sustainability

We operate within a community and are required to be socially conscious as we are committed to growing our business in a sustainable and acceptable way. We believe that diversity, environmental accountability and stewardship are of utmost importance to our business and community as a whole. Our Corporate Responsibility programs operates across all our companies and is an ongoing example of how we engage our values and live them as a valued corporate citizen and member of our community.

Anti-Corruption Laws

The Company has adopted a zero tolerance policy for bribery regardless of any circumstance. As we strive to build a sustainable business environment we recognize that bribery is not only harmful to the economy but the business environment and communities we engage with. Employees are required to adhere to all laid down anti-corruption laws as enforced by the government bodies in the countries we are in operation. Employees are reminded that engaging in bribery directly or indirectly can expose the Company to criminal liability. The violation of these policies and laws could subject you and the Company to serious fines and criminal penalties. If you become aware of any violation of policies and laws you are obligated to report immediately to your Manager or the Company Secretary.

Political Associations or Activities

We are all requested to be careful while participating in political associations or activities as we work for the Company. We are permitted to positively support our communities by participating in political activities. This may only be done at our own time and expense. We are not to use the Company name, facilities or funds while taking part in these activities. Our position of authority in the Company should also not make another employee feel compelled or pressured to participate in any way in any political event or cause for any political purpose. The Company will not use any of its funds or facilities to fund political activities or undertake any lobbying activities.

Confidentiality

Employees are required to protect the Company's confidential and proprietary information, client, media and supplier information and information owned by third parties that they have access to. Such information may be financial information, business plans, technical information, strategic presentations and plans, creative work, marketing plans, information about employees and clients, information relating to tenders and other types of information. Non-authorized access, use and disclosure may damage the Company's or third party reputation. Employees are, therefore, not allowed to access, use or disclose the information unless they have been duly and properly authorized to do so. Whenever an employee is in doubt of his/her authorization limits, he/she should seek guidance from their manager or Group HR Manager. Employees are bound to the obligation to maintain confidentiality in respect of Company and client information even after leaving employment.

The following should be kept in mind:

- Employees should not disclose to others information which is not made public by the Company except to employees who by virtue of their work have access to the kind of information at hand and who have justified reason to have the information, or any one else authorized by the Company as receiver of such information.
- Employees should not directly or indirectly access, duplicate, reproduce, electronically transmit either via email, flash disc and CD or make use of proprietary information other than in the normal course of their duties and work for the Company.
- Upon learning of any wrongful use or treatment of confidential information, employees should promptly notify their manager and cooperate in full with the Company to protect such information.
- Employees should not store the Company information on private computers or other media not provided by the Company.

Disclosures

Any disclosure required to be made by an employee shall be made not later than 14 days from the date of signing the attached declaration and for events occurring after, disclosures should be made not later than 1 week from the happening of the event to be disclosed.

Amendments

The Company will regularly review the Code and other applicable policies from time to time and will update them to be in line with the applicable governing laws, regulations and industry best practices. All changes will be communicated to Employees who will be bound by any such changes.

FAQs

Q. A Graphic Designer in one of our agencies is freelancing over the weekend. Is this ok?

A. *No. He needs to declare his freelance engagements immediately as he may be exposing the company to conflict of interest.*

Q. A Media Manager is responsible for negotiating media contracts with a media house. A media house executive has invited her to join his team on an all expenses paid trip to Malindi over the Easter weekend as a token of appreciation for support over the years. Should she go?

A. *No. If she takes up the offer she may be compromised or appear to be compromise in her future dealings with the Media House.*

Q. I am an Account Director for one of our key accounts. My brother works as an Account Manager in a competing agency handling a competing brand. Do I need to disclose this information?

A. *Yes, you are required to make a disclosure of the fact for the Company to put in place measures to address any conflict of interest or perception of conflict of interest. You are also reminded that it is an agency requirement that you maintain confidentiality in respect of your work at all times.*

Q. One of our employees recently received a gift from a supplier and his colleagues know about it. He is aware that he needs to declare the gift and register it but has not done so. Does the Company expect his colleagues to disclose this information?

A. *Yes. This Code requires employees to report any incidences of violations if the same come to their knowledge.*

Q. How do I as an employee determine what is confidential information or not?

A. *Confidential information is generally any information that is not within the public domain regarding the Company, its business including client information. When in doubt regarding whether any information is confidential or not, you should consult your immediate manager. Employees are also bound by the confidentiality policy not to disclose client information to other employees who are not working on the same business eg. Launch of new products, Client Strategies etc.*

- Q. Having worked in the MIS Department as a Programmer I have created several programs/systems for the agency of which some are in use and others are not. I am leaving the organization in a couple of months to pursue better prospects with another employer. Am I at liberty to implement the systems and programs I created at my current position in my new place of work?
- A. *No. All programmes/intellectual property developed during one's employment with the company whether used or not remains the property of the company*
- Q. I have been requested to prepare a presentation for my client and I am in possession of a presentation previously made by my Manager for a competing client and I like the contents of the presentation. Can I use the same format and some of the presentation content for my client or should I consult with my Manager first?
- A. *No. Any client related material including presentations is considered confidential. You should consult with your Manager for direction and approval.*
- Q. My Account Director's brother is getting married next month and she has requested me to find some free time during office hours to design the wedding invitation cards as well as the programs for the ceremony. How do I handle this?
- A. *You should not undertake the assignment. You are a company resource and are required to apply all your time to the business of the company.*
- Q. We have been working with a freelance creative for the past six months and his contract has come to an end. However, there is a job that we have turned down from a client because the agency is not being paid enough fees to execute the project. Can I give a lead to the freelance creative to take on the job.
- A. *No. Agency decisions on which jobs to retain from clients should not be shared with third party suppliers.*



Scangroup

Code of Conduct

*Declaration
Form*

The form is to be duly completed by each member of staff in duplicate. Original copy must be submitted to the Group Head of HR and the duplicate is to be retained by the employee

I _____

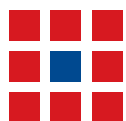
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(Agency)

do hereby confirm that I have read and understood our Code of Conduct Policy and Procedures and that I shall comply with the provision therein.

SIGNATURE _____

DATE _____



Scangroup

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