

BOC KENYA PLC

POLICY ON DISPUTE RESOLUTION FOR INTERNAL & EXTERNAL DISPUTES

Introduction

BOC Kenya PLC (BOC) has formulated this Policy to provide a structured process for resolving both internal and external disputes. The Policy outlines mechanisms for resolving disputes in a cost effective, fair, expeditious and efficient manner.

Part A: Internal Dispute Resolution

1. Overview

Employee disputes are best resolved informally and directly between an employee and the supervisor. The goal of the dispute resolution process is to seek to address and resolve disputes as soon as they arise and determine what (if any) action should be taken and if it is warranted. It recognizes that there are situations when a formal process may be beneficial and additional perspectives may be needed to review and seek to resolve any dispute. Successful resolution of a dispute requires an open and honest exchange of information, a willingness to see a situation from a different perspective, an appreciation for the challenges and expectations of the jobs of employees including their line managers and supervisors, appropriate use of flexibility and an understanding of the business needs. Visibility and accessibility of this Policy will be ensured.

2. Purpose

The purpose of this Policy is to:

- 2.1 Provide an opportunity to internally and expeditiously resolve all disputes and potential disputes in good faith.
- 2.2 Describe and regulate the way that disputes are handled including complaints and appeals. Confidentiality of personal information will be ensured, and no disclosure will take place without the written consent of the complainant or anyone else whose personal information may be involved.
- 2.3 Promote an open line communication that works not only for a person-to-person interaction but also on all levels. Proper discussion of conflicts will be made to showcase transparency in the workplace. It targets the identification of call to actions to ensure that problems can be identified even at its earliest indications.

- 2.4 Serve as the medium that can guide employees about what they need to know about dispute resolution.
- 2.5 Help increase the possible options for employees when it comes to developing a resolution, should conflicts arise. This Policy helps the workforce to have a fast action in ensuring the disputes will be addressed, hence, help the business have a more harmonious operation.
- 2.6 Treat every complainant with courtesy and respect and ensure appropriate review or investigation.
- 2.7 Resolve each complaint within its internal complaints handling procedures, and to facilitate external review of complaints for those it is unable to resolve.
- 2.8 Ensure respective line managers will be accountable for responding to complaints within their work areas. The HR Manager will be accountable for responding to complaints which are not resolved at the work area unit. The Managing Director will be accountable for appeals determination.

3. Eligibility and Use of Dispute Resolution Process

- 3.1. All employees are eligible to use the Dispute Resolution Process. It may be used to appeal actions involving complaints, formal disciplinary written warnings, final warnings, suspensions and termination of employment.
- 3.2. The process may not be used to challenge verbal disciplinary warnings, coaching actions, performance feedback or performance review related concerns. However, if the employee fails to meet the time limits established for a response, the dispute will be considered resolved and the dispute resolution process will be terminated. Time limits may be extended by mutual agreement. It is understood that work-related travel, commitments or other significant personal needs may justify extending deadlines.
- 3.3. The dispute resolution process is also available if an employee believes there was a procedural flaw related to a performance accountability and commitment plan. A procedural flaw relates to process, not content of the plan or feedback from the supervisor for instance if an employee received the written performance plan by e-mail and the manager did not have a conversation with the employee or if the written performance plan did not include the areas of performance that need improvement. This Policy does not include concerns regarding performance feedback or a written performance review.
- 3.4. Submission, investigation and decision on disputes will not result in any discriminatory actions against the disputing person.

4. Dispute Resolution Process

4.1. Step 1- Discussion with Supervisor

- 4.1.1. Employees are always encouraged to address their concerns directly with their immediate supervisor. The first step in the dispute resolution process is a discussion between the employee and the supervisor to determine if they can resolve the issue. The one-on-one conversation should include a review of the facts and any relevant policies or documents. As appropriate, the employee and supervisor should bring copies of related documents, so they can be reviewed during the meeting.
- 4.1.2. Employees who intend to utilize this process must do so by notifying their supervisor in writing within seven (7) calendar days of the action that gave rise to the dispute. This should include the issue being disputed and the desired outcome of the dispute process.

4.2. Step 2 - Departmental Review

- 4.2.1. In the event the employee and the supervisor are not able to resolve the dispute or if the discussion does not result in a satisfactory resolution, the employee has the option to request a meeting with line manager to facilitate a conversation with the employee and the supervisor. The employee must provide written notice within seven (7) calendar days of meeting with the supervisor, where the dispute was not resolved. The written notice should include a summary of the concern, any related documents and the outcome desired by the employee. Submission of the written notice will not be used as a justification for ending the dispute resolution process.
- 4.2.2. The line manager will meet with the employee, review their concerns, and within seven (7) calendar days of the meeting provide the employee with a written decision. If the employee does not consider the issue to be satisfactorily resolved after this level, they should notify the HR Manager in writing within seven (7) calendar days of the receipt of the line manager's decision.

4.3. Step 3 - Facilitated Conversation with Human Resources

- 4.3.1. This step is available to provide an opportunity for the employee, line manager and the HR Manager to attempt to resolve the dispute. Expression of thoughts, concerns and willingness to find a resolution are critical.

4.3.2. If resolution is not reached, the employee may proceed to notify the HR Manager in writing within seven (7) calendar days of the facilitated conversation meeting of their intent to proceed to panel for review.

4.4. Step 4 - Panel Review

4.4.1. The employee's concerns and the departmental actions will be heard by a panel of three-line managers who will objectively review the dispute and make a decision within 7 calendar days and communicate to the employee in writing.

4.4.2. The panelists must have received training in dispute resolution process.

4.4.3. An employee utilizing this process may bring one person currently employed by the company to the hearing to provide support. Both the department and the affected employee may have witnesses. Witnesses must be current employee with direct knowledge of the issues in dispute.

4.5. Step 5- Right to appeal

The employee or affected department will have the right to appeal against this decision in writing within 7 days to the Managing Director who will set a date to hear the appeal and communicate the outcome.

4.6. Record Keeping

Record of all disputes and appropriate actions taken will be maintained including relevant supporting evidence and documents.

4.7. Continuous Improvement and Policy Review

4.7.1. If internal nonconformities related to BOC policies or procedures are identified during the dispute resolution process, corrective action will be taken and implemented to address the nonconformity to ensure continuous improvement.

4.7.2. Periodic review to check for effectiveness and efficiency of the Policy shall be done.

4.7.3. The company reserves the right to modify this Policy in whole or in part, at any time, at its discretion.

5. Relevant Policies and documents

Grievance Policy, Disciplinary Policy, Harassment Policy, BOC Values and Code of Business Integrity (formerly referred to as Code of Ethics) .

Part B: External Dispute Resolution

6. Purpose

This Policy also establishes a framework for resolving disputes between BOC and external parties, including service providers, customers, and other stakeholders, in a manner that is efficient, cost-effective, confidential, and aligned with the Company's commitment to maintaining business relationships. The Policy prioritizes Alternative Dispute Resolution (ADR) mechanisms, specifically negotiation, mediation, and arbitration.

7. Scope of External Dispute Resolution

This Policy applies to all disputes arising from contractual or commercial relationships between BOC and external parties, including but not limited to:

- 7.1. Service providers (e.g., suppliers, contractors, consultants).
- 7.2. Customers (e.g., buyers of BOC's products or services).
- 7.3. Other third parties engaged in commercial transactions with the Company.

This Policy does not apply to disputes involving criminal matters, employee disputes governed by the Employment Act 2010, or family law matters such as succession, which may require litigation or other statutorily mandated processes.

8. Dispute Resolution Mechanisms

BOC adopts a tiered approach to dispute resolution, prioritizing negotiation, followed by mediation, and arbitration as the preferred methods for resolving disputes with external parties. Litigation shall only be pursued where ADR is inappropriate or unsuccessful, or where mandated by law.

- 8.1. Negotiation:
 - 8.1.1. *Definition:* Negotiation is a voluntary, informal process where the parties directly engage to resolve a dispute through dialogue and mutual agreement, without the involvement of a third party.
- 8.2. Procedure:
 - 8.2.1. Upon identification of a dispute, the relevant BOC representative shall initiate negotiations with the external party within seven (7) business days.
 - 8.2.2. Parties shall exchange relevant documents (e.g., contracts, communications, receipts) and prepare arguments based on applicable law and contract terms.
 - 8.2.3. Negotiations shall be conducted in good faith, aiming for a mutually beneficial outcome that preserves the business relationship.

8.2.4. If a resolution is reached, the parties shall document the agreement in writing, signed by authorized representatives, which may be registered in court as a binding settlement under Section 59D of the Civil Procedure Act (Cap 21).

8.2.5. If no resolution is reached within 14 business days (or an agreed extended period), the dispute shall escalate to mediation.

8.3. Mediation:

Definition: Mediation is a voluntary, confidential process where an impartial third party (mediator) facilitates discussions to help the parties reach a mutually acceptable resolution. The mediator does not impose a decision.

8.4. Procedure:

8.4.1. If negotiation fails, either party may propose mediation, to be agreed upon within 7 business days.

8.4.2. The parties shall jointly appoint a mediator accredited by a recognized institution, such as the Chartered Institute of Arbitrators or the Nairobi Centre for International Arbitration (NCIA).

8.4.3. Mediation shall commence within 14 business days of the mediator's appointment and aim to conclude within 60 days.

8.4.4. The mediator shall facilitate discussions, clarify issues, and assist in drafting a settlement agreement if consensus is reached.

8.4.5. Any settlement agreement shall be signed by the parties and may be filed in court for adoption as a binding order.

8.4.6. Costs of mediation shall be shared equally between the parties unless otherwise agreed.

8.4.7. If mediation fails, the dispute shall escalate to arbitration, unless the parties agree otherwise, or litigation is required by law.

8.5. Arbitration

8.5.1. *Definition:* Arbitration is a consensual, structured process where a neutral third party (arbitrator) delivers a binding decision (award) after reviewing evidence and arguments. Arbitration is governed by the Arbitration Act 1995 and, for international disputes, the New York Convention.

8.5.2. Procedure:

8.5.3. Arbitration shall be initiated if mediation fails or if the parties agree to bypass mediation due to the complexity or urgency of the dispute.

8.5.4. The arbitration agreement, typically included in BOC's contracts (e.g., as a clause or separate agreement), must be in writing and comply with Section 4 of the Arbitration Act 1995.

8.5.5. The parties shall jointly appoint an arbitrator with expertise relevant to the dispute. If no agreement is reached, the arbitrator shall be appointed by the Chairperson of the Chartered Institute of Arbitrators (Kenya) or the NCIA as may be applicable with reference to the contract terms and conditions.

8.5.6. Arbitration proceedings shall be conducted in Nairobi, Kenya, unless otherwise agreed, and follow the rules agreed by the parties or, in their absence, the rules of the NCIA or the Arbitration Act 1995 as may be applicable with reference to the contract terms and conditions.

8.5.7. The arbitrator's award shall be final and binding, enforceable as a decree of the High Court of Kenya upon filing and adoption, subject to limited grounds for appeal or setting aside under Section 35 of the Arbitration Act 1995.

8.5.8. Costs of arbitration shall be determined by the arbitrator or shared equally, unless otherwise agreed.

8.5.9. For international disputes, awards shall comply with the New York Convention for enforceability in Kenya and abroad.

8.6. Litigation

8.6.1. Definition:

Litigation involves resolving disputes through the Kenyan court system, typically as a last resort or where required by law (e.g., criminal matters or disputes involving public Policy).

8.6.2. Procedure:

Litigation shall be pursued if:

8.6.2.1. ADR mechanisms are inappropriate (e.g., disputes requiring injunctive relief or statutory interpretation).

8.6.2.2. Negotiation, mediation, and arbitration (mandatory in the respective contracts) have failed to resolve the dispute.

8.6.2.3. The external party refuses to engage in ADR, and court intervention is necessary.

8.6.2.4. Litigation shall be conducted in accordance with the Civil Procedure Act (Cap 21) and the rules of the relevant court.

8.6.2.5. BOC shall ensure thorough preparation, including gathering evidence and complying with court procedures, to minimize delays and costs.

9. Contractual Incorporation

9.1. Contracts entered into by BOC with external parties shall include a Dispute Resolution Clause specifying form of dispute resolution application which may include the tiered approach of negotiation, mediation, and arbitration, unless otherwise agreed by the Company's legal department and or legal advisors.

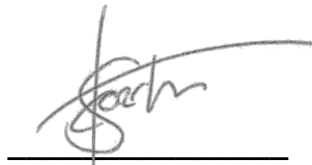
10. Monitoring and Review

10.1. This Policy shall be reviewed every two (2) years or as required by business needs, with recommendations for amendments submitted to the Board for approval.

11. Approval:

This Policy on Dispute Resolution for Internal & External Disputes was last reviewed and APPROVED by the Board of Directors of BOC Kenya Plc on 4 June 2025 and RECOMMENDED for approval by Shareholders at the Annual General Meeting to be held on Thursday 26 June 2025.

SIGNED this 4 day of June 2025



Mr. E. Vorster
Chairman of the Board



Mr. L. Githinji
Managing Director