EXTRACT OF THE DTB PROCUREMENT POLICY

1. Introduction

Procurement is a critical function that supports the Bank's operational effectiveness, financial discipline, risk management, and long-term sustainability. This Procurement Policy provides the governance framework for acquiring goods, services, works, consultancy services and related supplier arrangements in a manner that is transparent, competitive, ethical, compliant and aligned with the Bank's strategic objectives.

The Policy is intended to promote prudent stewardship of the Bank's resources, strengthen accountability across the procurement lifecycle, ensure appropriate controls over supplier engagement and procurement decisions, and support consistent application of procurement standards across all departments and branches.

2. Purpose

This Policy establishes the principles, governance framework, approval requirements, risk management standards and minimum control requirements governing procurement and supply chain activities undertaken by the Bank. The Policy seeks to ensure procurement decisions are transparent, competitive, ethical, risk-aware, compliant with applicable laws and regulations, and deliver sustainable value for money to the Bank.

3. Scope

This Policy applies to all procurement and supply chain activities undertaken by or on behalf of the Bank, including procurement of goods, services, works, consultancy services, outsourced services, travel-related services, supplier onboarding, supplier due diligence, supplier relationship management, contract management, supplier performance management, inventory governance, disposal activities and related payment recommendation processes.

4. Policy Statement and Principles

4.1 Procurement Conduct and Practices

- The Bank shall maintain ethical supplier relationships and procurement practices, free from conflict of interest (or where these exist, ensure that these are appropriately declared and approved), free from corruption, collusion, coercion, or fraud
- The Bank shall conduct procurement through fair competition and, unless otherwise approved or justified, shall obtain a minimum of three commercial quotations. Procurement decisions shall reflect value-for-money assessment, appropriate segregation of duties and documented approvals in accordance with the Bank's board -approved Authorized Mandates (refer to Appendix 1), as well as the procurement procedures
- The Bank shall require suppliers with annual spend/ procurement exceeding Kshs 5 million to annually acknowledge and comply with the Bank's Supplier Code of Conduct or provide equivalent policy and governance standards used by them if found to be acceptable to the Bank.
- The Bank shall ensure that confidential, commercially sensitive, customer and supplier information obtained during procurement activities is protected and used only for legitimate business purposes in accordance with applicable laws, regulations and internal information security requirements.

4.2 Supplier Relationship Management

- The Bank shall actively manage supplier relationships to maximize value, promote service excellence, encourage innovation and strengthen operational resilience.
- Supplier engagement shall reflect both supply/ service and supplier/ service provider criticality and availability, spend profile and risk exposure. Strategic suppliers, covering those who provide 'mission- critical' and/ or outsourced supplies and services may be subject to enhanced engagement, performance review assessments and risk due diligence.

4.3 Supply Chain Risk Management

- The Bank shall maintain a structured approach to identifying, assessing, mitigating and monitoring procurement and supply chain risks. Supply chain risk assessments shall consider supplier concentration risk, financial viability, information security risk, business continuity capability, regulatory compliance, geopolitical exposure and operational resilience. Supply chain risks shall be managed in accordance with the Bank's Enterprise Risk Management Framework and approved risk appetite.

4.4 Sustainable Procurement

- The Bank shall promote sustainable procurement practices and seek to procure goods and services that support responsible environmental and social outcomes where commercially viable.
- The Bank shall, where supplies and services are available and commercially viable, exercise preference for the sourcing of energy-efficient products and services, encourage responsible sourcing practices, support ethical supplier conduct, consider sustainability risks during supplier selection and encourage environmentally responsible disposal and recycling practices.
- The Bank shall actively look out for and utilize opportunities to source supplies and services from special interest – owned, -led and / or -employer business, such as women, youth and persons with disabilities.

4.5 Supplier Complaints, Disputes, and Appeals

- Suppliers shall have the right to raise complaints, disputes, or appeals relating to procurement processes, evaluation outcomes, contract award decisions, performance assessments, sanctions, or blacklisting decisions. All such complaints shall be submitted in writing to the Managing Director and/ or Finance & Strategy Director with a copy (if appropriate) to the Head of Procurement and Logistics Department within 15 days of the event giving rise to the compliant or dispute, clearly setting out the basis of the complaint or dispute and any supporting evidence.
- The Managing Director, Finance & Strategy Director or (where appropriate) the Head of Procurement and Logistics Department shall acknowledge receipt of the complaint and coordinate an impartial review involving, as appropriate, the relevant Head of the sponsor/ user department, Heads of Security & Investigations, Legal, and / or Internal Audit. The review shall consider

whether the procurement process was conducted fairly, transparently, and in accordance with this Policy and applicable governance requirements.

- Where a complaint relates to a procurement decision or supplier sanction, the matter shall be escalated to the Managing Director or approving authority for review and determination. The outcome of the review, including any corrective action, shall be documented and communicated to the supplier in writing.
- All supplier complaints, disputes, appeals, supporting documentation, decisions, and corrective actions shall be retained as part of the procurement records to support transparency, accountability, auditability, and continuous improvement of the procurement process.