



# **NASCON ALLIED INDUSTRIES PLC.**

## **Insider Trading Policy**

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## 1.0 INTRODUCTION

### 1.1 Purpose of the Policy

Insider trading occurs when a director or a related person in possession of confidential and price sensitive information not generally available to the public, utilizes such information to buy or sell securities for the benefit of himself/herself, itself, or any other person. Insider trading disrupts the purpose of good corporate governance practice as it undermines the confidence of investors in the fairness and integrity of the securities market.

The Nigerian Investments Securities Act (ISA) 2007 prohibits insider trading and imposes restrictions on trading in securities while in possession of material undisclosed information. Therefore, this Insider Trading Policy ("the Policy") has been developed to provide a framework on what constitutes insider trading and how it will be managed and monitored by NASCON Allied Industries ("NASCON" or "the Company") and its subsidiaries.

### 1.2 Objectives

The purpose of this policy is to achieve the following objectives:

- a) To promote compliance with the ISA, Security and Exchange Commission (SEC) Code of Corporate Governance and other applicable regulatory requirements.
- b) To provide the Directors, officers, and employees of the Company with guidelines regarding trading in securities of NASCON and in handling of confidential information about the Company and the companies with which NASCON does business.
- c) To ensure that all persons to whom this policy applies, who have material non-public information do not engage in insider trading or tipping.
- d) To ensure that all the Company's employees and Directors maintain utmost secrecy and confidentiality regarding all information which they receive because of their position within the Company; and
- e) To protect the Company and its staff from reputational damage, fines and levies that may be imposed by regulators because of improper identification, disclosure, and management of insider trading activities.

### 1.3 Scope of the Policy

The scope of the Policy applies to:

Restricted Persons

- a) The Company's Directors and Employees
- b) Connected persons
- c) Members of the Statutory Audit Committee
- d) Shareholders holding greater than or equal to 0.5% of the issued share capital of the Company
- e) Officers and employees of an individual Director's private company

### 1.4 Restricted Entities

Insider trading prohibition is not limited to trading in the Company's securities alone, it applies to trading in the securities of Companies that have a business relationship with the Company, such as customers or vendors that the Company has significant dealings with, and those with which the Company may be negotiating major transactions, such as an acquisition, investment, or sale.

### 1.5 Restricted Products

Restricted products include purchases and sales of the shares and derivative securities of the Company.

## 2.0 DEFINITIONS

For the purpose of this policy, the following definitions and interpretations are used:

### 2.1 Insider Trading

The Company has defined insider trading as:

- a) trading based on material, non-public information.
- b) disclosing or "tipping" material, non-public information to others or recommending the purchase or sale of securities based on such information;  
or
- c) Assisting someone who is engaged in any of the above activities.

## 2.2 Insider

The Company has defined the term "Insider" to apply to anyone who, by virtue of a special relationship with the Company, possesses material, non-public information regarding the business of the Company. Insiders include:

- a) A Director of the Company at any time since the beginning of the Company's financial year, or a nominee to become a Director of the Company.
- b) A substantial shareholder represented on the Board by one (1) or more of the Non -Executive Directors.
- c) Connected persons to a or b above.
- d) Officers and employees of individual Director's private companies.
- e) Members of the Statutory Audit Committee; and
- f) Any other individual that:
  - (i) in the ordinary course of business receives or has access to material information concerning the Company before that information is generally disclosed.
  - (ii) directly or indirectly exercises or has the ability to exercise significant power or influence over the business, operations, capital, or development of the Group.

## 2.3 Connected Persons

Connected persons are defined as:

- a) members of immediate family i.e., spouse or spousal equivalent, son, daughter, mother, or father.
- b) family members (immediate and extended) who are dependents of Directors or employees of the Company.
- c) siblings of Directors.
- d) family members (immediate and extended) who may not be dependents of Directors or employees of the Company but whose transactions in the Company's securities are directed, influenced, or controlled by a Director.

- e) partnership in which a Director, employee of NASCON; or a, b, or c above is a partner.
- f) corporations or companies controlled by a Director, employee of NASCON, or a, b, or c above.
- g) a trust in which a Director, employee of NASCON; or a, b, or c above is a trustee.

#### 2.4 Material Information

Material information means any fact, matter or circumstance that will influence a reasonable investor in deciding to buy, sell or hold a security or, an information that may significantly change/affect the market price of the Company's security, such as information on:

- a) actual profit results.
- b) internal forecasts of profit results.
- c) details of new product or substantial new business contract.
- d) changes in the corporate structure, such as re-organisations, dissolutions.
- e) insolvency or bankruptcy.
- f) take-over bids or issuer bids.
- g) major corporate acquisitions or dispositions.
- h) new investments and expansion projects:
- i) changes in capital structure.
- j) changes in share ownership that may affect the control of the Company.
- k) increase/decrease in dividends.
- l) proposed redemptions or other re-purchases of the Company's securities.
- m) major alterations in asset value or make-up.
- n) events that may result in the creation of a significant reserve or write-off or other significant adjustments to the financial statements.
- o) significant management changes.
- p) the declaration of a stock split or the offering of additional securities.

- q) potential/actual defaults under the Company's credit agreements or the existence of material liquidity deficiencies.
- r) positive or negative developments in outstanding significant litigation.
- s) actual or threatened significant litigation or inquiry by a governmental or regulatory authority.
- t) any other facts which might cause the Company's financial results to be substantially affected.

## 2.5 Non-public information

- a) Non-public information means information that is not generally known or available to the public. Filings with the SEC and press releases are generally regarded as public information.
- b) Information about undisclosed financial results or a possible merger, acquisition, or other material development, whether concerning the Company or otherwise, and obtained in the normal course of employment or through a rumor, tip or just "loose talk", is not public information.
- c) Information should be considered "non-public" until the beginning of the Trading Window (as defined below) after such information has been disseminated widely to the general public through press releases, news tickers, newspaper items, quarterly or annual reports or other widely disseminated means.

## 3.0 GUIDELINES ON SECURITIES TRADING

- a) Trading on the Company's securities must be in accordance with generally accepted market practices and legislation and must comply with rules and regulations as laid down by the formal markets/exchanges.
- b) The following guidelines are to guide the activities of Insiders with respect to trading in the Company's securities:

### 3.1 Disclosure of Investments

- a) All new Insiders of the Company, especially Directors and senior management staff, are required to disclose their investment in the Company's securities to the Company Secretary within ten (10) calendar days of becoming an Insider.

### 3.2 Prior Notification and Clearance of Trades

- a) All restricted persons shall notify the Chief Financial Officer (CFO) and the Company Secretary of the intention to carry out a trade, including the exercise of any stock option or any other purchase or sale of any securities of the Company. No trade shall be carried out without the prior notification and clearance of the trade by the CFO.
- b) The notice of intention to carry out a trade should be provided in writing. Clearance of any trade will also be provided in writing. Any clearance issued by the CFO will expire after 48 hours. In special cases where the time required to complete a trade may be longer (e.g., for the purchase of debt securities) pre-clearance may be granted for periods longer than 48 hours at the sole discretion of the CFO.
- c) Any advice offered by the CFO is subject to the qualification that the Insider does not otherwise possess any material undisclosed information. Individual Insiders must continue to exercise judgment regarding any potential undisclosed material information they possess, which may not be within the knowledge of the CFO.
- d) Attached as **Appendix A** to this policy is a suggested form of notification to be used in connection with a proposed purchase, sale, or other transaction in NASCON's securities.

### 3.3 Trading Window

- a) The trading window is a period in which the Company permits Insiders to trade in its shares.
- b) The Company has determined that all Restricted Persons shall be prohibited from buying, selling, or otherwise effecting transactions in any stock or other securities of the Company or derivative securities thereof except during a trading window.
- c) The Company, through the Company Secretary, shall specify a trading period from time to time, for trading in the Company's securities.
- d) The trading window shall be closed during the time information referred to as non-public information is unpublished.

### 3.4 Closed Period

A closed period is a specific period when Insiders are prohibited from trading in the Company's securities, except for specific exceptions. When the trading window is



closed, Insiders shall not trade in the Company's securities during such period. The Company's closed period shall commence two weeks prior to the anticipated date of a Board meeting when non-public information is to be discussed and approved and stop 24 hours after the information is made public.

In addition, the trading window shall be closed at the time of:

- i. declaration of financial results (quarterly, half-yearly and annually).
- ii. declaration of dividends (interim and final).
- iii. issue of securities by way of public or rights or bonus; and
- iv. amalgamation, mergers, takeovers and buy-back.

Closed periods may also be prescribed from time to time as a result of special circumstances known to the Company and not yet disclosed to the public.

In such event, Insiders are advised not to engage in any transaction involving the purchase or sale of the Company's securities during such period and neither should they disclose to others, the facts behind the closed period.

The specific dates for beginning closed periods shall be announced by the Chief Financial Officer through the Company Secretary.

#### 4.0 POLICY STATEMENTS

- 4.1 No Insider who is aware of inside information may, directly or indirectly, engage in any action to take personal advantage of such information, until such information is published.
- 4.2 Directors and employees of the Company shall not trade on insider information, directly or through connected persons or other persons or other entities, if they are aware of material non-public information relating to the Company.
- 4.3 The existence of a personal financial emergency is not an excuse for non-compliance with this policy.
- 4.4 Any Director or employee of the Company that liaises with industry analysts or business journalists shall not give them any inside information about the Company or confirm with them any suspicions which they may have, even if these suspicions are based on the industry analysts or business journalists'

research and analysis.

- 4.5 All Directors, officers, and employees of NASCON who have knowledge of non-public material information relating to NASCON, or non-public material information relating to any other company with whom NASCON is conducting or proposes to conduct business, are prohibited from communicating that information internally or externally to anyone else, except in the necessary course of business.
- 4.6 Disclosure in the necessary course of business would generally cover communications with:
- a) Vendors, suppliers, or strategic partners on issues such as research and development, sales and marketing and supply contracts.
  - b) Directors, officers, and employees of NASCON.
  - c) Lenders, legal counsel, auditors, financial advisors, and underwriters.
  - d) Parties to negotiations.
  - e) Labour unions.
  - f) Industry associations.
  - g) Government agencies and non-governmental regulators.
  - h) Credit rating agencies (provided that the information is disclosed for the purpose of assisting the agency to formulate a credit rating and the credit rating is or will be publicly available).
- 4.7 Any person who is uncertain as to whether a particular disclosure of nonpublic material information is in the necessary course of business should contact the Company Secretary.
- 4.8 All NASCON Directors and employees shall exercise caution when transmitting information by e-mail. Communication by e-mail leaves an electronic track of its passage that may be subject to later decryption attempts. If the information being transmitted is critically sensitive or confidential, the electronic document should either be protected by a passcode, or a non-electronic means should be used for the transmission if possible and practical in the circumstances.
- 4.9 Where confidential material information is disclosed in the necessary course of business, the recipient of the information shall be informed of the confidential nature of the information, and the need to keep the information confidential

and the restrictions on trading in securities with the benefit of knowledge of that information. In addition, recipients of such information may be required to enter into a written confidentiality agreement with the Company.

- 4.10 Insiders shall conduct all their dealings in the securities of the Company only in a valid trading window and shall not deal in any transaction involving the purchase or sale of the Company's securities during the closed periods as defined in section 3.3.
- 4.11 Insiders may freely buy or sell the Company's securities during trading window periods if they are not in possession of material non-public information.
- 4.12 No Insider may disclose inside information to third parties other than as may be required by any law or regulation that it is mandatory to comply with (including, without limitation, any anti-money laundering laws and regulatory policies or as may be required on a "need-to-know" basis) in the normal course of the employment or engagement.
- 4.13 Insiders who are unsure whether they may trade in any circumstance are advised to contact the Company Secretary.
- 4.14 Insiders leaving the employment/services of the Company during a closed period shall not trade in the shares of the Company until the trading window opens.
- 4.15 No Insider may purchase or sell securities or recommend that another person place a purchase or sell securities of another company if the person learns of material non-public information about the other company in the course of his/her employment with the Company.
- 4.16 The Board of Directors shall designate certain spokespersons to communicate on behalf of NASCON with the investment community, investors, regulators, and the media. Such spokespersons will include the Chairman of the Board, MD, CFO, Group Head Corporate Communications and any other Director or officer designated by the Board.

## 5.0 ROLES AND RESPONSIBILITIES

### 5.1 Board of Directors

The roles and responsibilities of the Board include:

- a) Approve the Insider Trading Policy and ensure that it is adhered to.
- b) Assess any insider trading situations referred to the Board by the CFO and/or the Company Secretary.
- c) Review and take disciplinary actions in instances of violations of the Policy.
- d) Approve any special closed period suggested by the CFO and/or the Company Secretary

### 5.2 Chief Financial Officer

The roles and responsibilities of the CFO include:

- a) Approve all requests made by Insiders to trade in the Company's securities in conjunction with the Company Secretary.
- b) Report any incidences of insider trading to the Board.
- c) Determine the closed period, including special closed periods, in conjunction with the Company Secretary.

### 5.3 Company Secretary

- a) Act as the Company's Insider Trading Compliance Officer.
- b) Report any incidences of insider trading to the Board.
- c) Determine the closed period, including special closed periods, in conjunction with the CFO, and notify Directors and all other Insiders.
- d) Maintain proper records of all Insider information, especially details of their investment in the Company's securities.
- e) Independently monitor Insiders' investment in the Company's securities during the closed period to ensure that no transaction takes place.

Ensure that new Insiders accurately declare all their investments in the Company's securities.

- f) Act as a point of contact within the Company for dealing with any issues or

queries related to insider trading.

## 6.0 BREACH OF POLICY

Breach of this policy may result in the following consequences for Directors, officers, and employees of NASCON to the extent permitted by applicable laws:

- a) Any sanction determined by a properly constituted meeting of the Board of the Company, which sanction may include suspension from or termination of office.
- b) Criminal prosecution for insider trading in accordance with the rules and regulations of the Investment and Securities Act (ISA), SEC and any other regulatory provisions; and
- c) Civil liability for profit made or loss avoided by the Insider because of contravention of this policy.

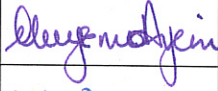
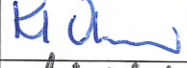
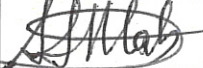
## 7.0 REVIEW AND UPDATE

- a) This policy will be subject to review and update at least every two (2) years or more often, as deemed necessary by the Board.
- b) Any amendment to this Policy shall be approved by the Board of Directors and will be communicated to Directors, officers, employees, consultants, and contractors.

## 8.0 QUESTIONS & ENQUIRIES

- a) Any person who is unsure whether he or she may trade in a given circumstance should contact the Company Secretary for specific guidance. Persons subject to this Policy are encouraged to consult with the Company Secretary prior to any trading on the securities of NASCON.

This Insider Trading Policy was approved by the Board the 26<sup>th</sup> day of July 2021

Name	Designation	Signature	Date
Yemisi Ayeni	Chairperson, Board of Directors		11 MAR 22
Knut Ulvmoen	Chairman Establishment Committee		11 March 22
Thabo Mabe	Ag Managing Director		19/3/22

**APPENDIX A**

**NASCON ALLIED INDUSTRIES PLC.**

**NOTICE OF INTENTION TO TRADE IN COMPANY'S SECURITIES**

I hereby notify you of my intention to execute the following transaction in securities of NASCON Allied Industries Plc (NASCON) and request approval of such transaction.

Type of transaction (check one):

- Purchase                       Sale                       Exercise of Stock Options  
 Other

If you selected "Other", please explain:

Number of Shares to be traded:

Total value of Shares to be traded:

I confirm that I am aware of the legal prohibitions against insider trading and confirm that I am not in possession of any material information relating to NASCON or any of its operations which has not been disclosed to the public generally.

I understand that NASCON's Insider Trading Policy supplements, and does not replace, applicable insider trading laws. I understand that a violation of insider trading laws and regulations may subject me to severe civil and/or criminal penalties, and that violation of the terms of NASCON's Insider Trading Policy will subject me to discipline by NASCON, up to and including termination.

I understand that, notwithstanding any trading authorization granted upon approval of this form, I remain personally responsible for complying with the Insider Trading Policy and applicable laws and regulations.

**APPROVAL:**

Approved by: \_\_\_\_\_  
**Chief Financial Officer**

Date:

Approved by: \_\_\_\_\_  
**Company Secretary**

Date:

