



We're with you for life

RC 2176

SECURITIES TRADING POLICY

Table of Contents

	Page
1. Introduction	3
2. Policy Statement	3
3. Purpose	3
4. Covered Parties	4
5. Covered Transactions	4
6. Material Non-Public Information	4
7. Handling of information	6
8. Trading In The Company And Other Securities	6
9. Closed Period	7
10. Duty to Maintain Insider List	9
11. Investigations And Supervision	9
12. Breach of Securities Trading Policy	10
13. Publication Of The Policy	10
14. Monitoring and Review	10

1. Introduction

- 1.1 Securities Trading or Insider Trading refers generally to buying or selling a security, in breach of a fiduciary duty or other relationship of trust and confidence, while in possession of material, non-public information about the security
- 1.2 The Nigerian Stock Exchange, NSE, prohibit the purchase or sale of a company's securities by anyone who is aware of material information about that company that is not generally known or available to the public. The Exchange also prohibit anyone who is aware of material non-public information from disclosing this information to others who may trade with it. Companies and their controlling persons may also be subject to liability if they fail to take reasonable steps to prevent insider trading by company personnel.
- 1.3 This policy is designed to provide guidelines to all directors, officers, associates and consultants of African Alliance Insurance Plc ('AAI Plc') with respect to trading in AAI Plc securities, as well as the securities of publicly traded companies with whom AAI Plc has a business relationship.
- 1.4 This policy has been designed to prevent insider trading or even allegations of insider trading. Adherence to this policy will help safeguard AAI Plc's reputation and will further ensure that AAI Plc conducts its business with the highest level of integrity and in accordance with the highest ethical standards.

2. Policy Statement

Illegal securities trading is against the policy of the Company. Such trading can cause significant harm to the reputation for integrity and ethical conduct of the Company. Individuals who fail to comply with the requirements of this Securities Trading Policy are subject to disciplinary action, at the sole discretion of the Company, including dismissal.

3. Purpose

The purpose of this securities Trading Policy is to:

- (a) explain the type of conduct in relation to dealings in securities that is prohibited by the company under Nigerian Stock Exchange Rules
- (b) establish a best procedure relating to buying and selling securities that provides protection to members against the misuse of unpublished information which could materially affect the value of securities.

4. Covered Parties

This policy applies to directors, employees, officers, of the Group and their closely related parties. That is, all members in the Group, including family members who reside or who do not live in the household of above listed members but whose transactions in AAI Plc securities are directed by any member or are subject to any member's influence or control (such as parents or children who consult with any member before they trade in AAI Plc securities) are restricted by the policy. Members are responsible for making sure that any transaction in securities covered by this policy by any of these people complies with this policy.

5. Covered Transactions

The policy applies to all transactions in the company's securities, including ordinary shares and any other securities the company may issue from time to time, such as preference shares, convertible debentures as well as derivative securities.

6. Material Non-Public Information Or Price Sensitive Information

6.1 Material non-public information is any material information about AAI Plc that has not yet become publicly available.

Information is "material" if a reasonable investor would likely consider it important in making a decision to buy, hold or sell securities. Any information that could reasonably be expected to affect the price of the security is material.

The information may be positive or negative. Financial information is frequently material, even if it covers only part of a fiscal period or less than all of AAI Plc's operations, since either of these might convey enough information about AAI Plc's consolidated results to be considered material information.

6.2 Material non-public or Price Sensitive Information include:

- Changes in the Directorate of the Company;
- The death, resignation, dismissal or appointment of a principal officer;
- Change in the Accounting year end;
- Annual and Interim Results or any recommendation or decision that dividends or scrip issues will or will not be made.
- Profit warnings or a change in the financial forecast or expectation;
- Proposed capital raising or restructuring exercise or changes in the capital structure.
- Giving or receiving a notice of intention to make a takeover or mergers, or acquisitions or tender offers or divestments;

- Any proposed change in the business model or general character or nature of the business of the company or of the group;
 - Major new developments in the Company's sphere of activities including major new products, contract awards and expansion plans.
 - Any change in voting control or in beneficial ownership of the securities carrying voting control
 - items of unusual or non-recurrent nature
 - Any proposed alteration of the Memorandum or Articles of Association;
 - Any other information necessary to enable shareholders to appraise the position of the company and to avoid the establishment of a false market in the shares of the company.
 - financial forecasts of any kind, including earnings estimates or changes in previously announced earnings estimates;
 - significant business trends and metrics;
 - gain or loss of substantial customers;
 - execution or termination of significant contracts;
 - financings or restructurings;
 - significant unusual gains or losses;
 - developments in significant litigation or government investigations;
 - public or private debt or equity offerings;
 - significant changes in senior management;
 - share repurchases;
- 6.3 It is not possible to define all categories of material information, and you should recognize that the public, the media and the courts may use hindsight in judging what is material. Therefore, it is important to err on the safe side and assume information is material if there is any doubt.
- 6.4 Information is "non-public" if it is not generally known or available to the public. Information may still be non-public even though it is widely known within AAI Plc.
- 6.5 All information about the Company is considered non-public information until it is disseminated in a manner calculated to reach the securities marketplace through recognized channels of distribution and public investors have had a reasonable period of time to react to the information. Generally, information which has not been available to the investing public for at least two (2) full business days is considered to be non-public. Recognized channels of distribution include annual or interim reports, prospectuses, press releases, marketing materials, Regulators filing and publication of information in prominent financial publications.
- 6.6 Non-public information is material if it might reasonably be expected to affect the market value of the securities and/or influence investor decisions to buy, sell or hold securities.

- 6.7 If a person is in doubt as to whether information is public or material, that person should wait until the information becomes public, or should refer questions to the company secretary or the compliance officer.
- 6.8 Information is considered to be available to the public only when it has been released broadly to the marketplace (such as by a press release or Regulator filing) and the investing public has had time to absorb and evaluate it.
- 6.9 Ordinarily, information about AAI Plc should not be considered public until at least two full trading days have passed following its formal release to the market. For example, if AAI Plc announces earnings before trading begins on a Tuesday, the first time you can buy or sell AAI Plc securities is the opening of the market on Thursday (assuming you are not aware of other material non-public information at that time). If, however, AAI Plc announces earnings after trading begins that Tuesday, the first time you can buy or sell AAI Plc securities is the opening of the market on the Friday.

7. Handling Of Information

- 7.1 The Company's records must always be treated as confidential. Items such as interim and annual financial statements, managed assets information and similar information are proprietary (that is, information pertaining to and used exclusively by the Company), and proprietary information must not be disclosed or used for any purpose other than for Company business. All Company policies and procedures designed to preserve and protect confidential information must be strictly followed at all times.
- 7.2 No director, officer or employee of the Company shall at any time make any recommendation or express any opinion as to trading in the Company's securities. Information learned about other entities in a special relationship with the Company, such as acquisition negotiations, is confidential and must not be given to outside persons without proper authorization.
- 7.3 All confidential information in the possession of a director, officer or employee is to be returned to the Company at the termination of his or her relationship with the Company.

8. Trading In The Company And Other Securities

- 8.1 The period prior to declaration of price sensitive information is particularly sensitive for transactions in Company's securities. This sensitivity is due to the fact that the Directors, persons discharging managerial responsibility and Advisers of the company and their connected persons will, during that period, often possess unpublished price sensitive information.

- 8.2 During such sensitive period, no Director, person discharging managerial responsibility or Adviser of the Company and their connected persons shall trade in the Company's securities.
- 8.3 All Directors, persons discharging managerial responsibility and Advisers of the company shall conduct all their dealings in the securities of the Company only during the free period and shall not deal in any transaction involving the purchase or sale of the company's securities during closed periods or during any other period as may be specified by company from time to time.
- 8.4 Directors, officers and employees of the Company shall not effect any transaction in the Company's securities if they possess material, non-public information about the Company.
- 8.5 The provisions set forth in this section and all other provisions of this securities Trading Policy shall equally apply to the directors, officers and employees of any subsidiary of the Company, except as noted in the "Trading Window Periods" paragraph below.

9. Closed Period

- 9.1 No Director, person discharging managerial responsibility and Adviser of the Company and their connected persons shall deal in the securities of the company when the trading window is closed.
- Any period during which trading is restricted shall be termed as a closed period.
- 9.2 The closed period shall be at the time of:
- a. Declaration of Financial results (quarterly, half-yearly and annual)
 - b. Declaration of dividends (interim and final)
 - c. Issue of securities by way of public offer or rights or bonus, etc.
 - d. Any major expansion plans or winning of bid or execution of new projects
 - e. Amalgamation, mergers, takeovers and buy-back
 - f. Disposal of the whole or a substantial part of the undertaking
 - g. Any changes in policies, plans or operations of the Company that are likely to materially affect the prices of the securities of the Company.
 - h. Disruption of operations due to natural calamities;
 - i. Litigation/dispute with a material impact;
 - j. Any information which, if disclosed, in the opinion of the person disclosing the same is likely to materially affect the prices of the securities of the Company;

9.3 Period of Closure

The period of closure shall be effective from 15 days prior to the date of any meeting of the Board of Directors proposed to be held to consider any of the matters referred to above or the date of circulation of agenda papers pertaining to any of the matters referred to above,

9.4 Trading Window Periods

Investment by the Company's directors, officers or employees in Company securities is encouraged, so long as such persons do not purchase or sell such securities in violation of this Securities Trading Policy. In furtherance of the goals underlying the Company's Securities Trading Policy, the Company's directors, officers and all employees are prohibited from buying or selling Company securities at all times, except during the trading window period which is the period allowed for trading in securities upon due clearance by the Compliance Officer and approval by the chairman of the company or Board of directors.

The prohibition on trading in Company securities by such persons at all times other than the Trading Window Period is designed to prevent any inadvertent trading by such persons in the Company's securities during times when there may be material financial information about the Company that has not been publicly disclosed.

9.5 Pre-Clearance by Compliance Officer

- a) Every director, officer or employee of the Company shall advise the Compliance Officer before he or she effects any transaction in the Company's securities.
- b) This shall be done by submitting a completed Trading Approval Form, attached as Form A, to the Compliance Officer.
- c) The Compliance Officer shall advise such director, officer or employee whether the proposed transaction is permissible under this Securities Trading Policy by making the appropriate indication and countersigning the Trading Approval Form.
- d) The Trading Approval Form will then be approved by the Managing Director and the Chairman of the Company. In case the Chairman is the interested party, the approval will be done by the Board of Directors.

- 9.6 Trading in Securities of Other Entities. In addition, no director, officer or employee of the Company shall effect any transaction in the securities of another entity, the value of which is likely to be affected by actions of the Company that have not yet been publicly disclosed.

10. Duty to Maintain Insider List

- 10.1 The company has a duty to maintain Insider List of all:
- (a) its own employees that have access to inside information; and
 - (b) the principal contact details of any other relevant person who also have access to inside information regarding either the Group or the financial instruments of the Group.
- 10.2 The list shall state the identity of any person with access to inside information, the reason why they have access to inside information, the date on which they first had access to inside information and the date on which the list was created.

These lists must be updated whenever -

- i. there is a change in the reason why a person has access to inside information;
- ii. a new person is added to the list; and
- iii. any person on the list no longer has access to inside information.

The Company's or Group insider list is as attached for reference purpose

11. Investigations And Supervision

- 11.1 If any person subject to this Securities Trading Policy has reason to believe that material, non-public information of the Company has been disclosed to an outside party without authorization, that person should report this to the Compliance Officer immediately.
- 11.2 If any person subject to this Securities Trading Policy has reason to believe that an insider of the Company or someone outside of the Company has acted, or intends to act, on inside information, that person should report this to the Compliance Officer immediately.
- 11.3 If it is determined that an individual maliciously and knowingly reports false information to the Company with intent to do harm to another person or the Company, appropriate disciplinary action will be taken according to the severity of the charges, up to and including dismissal. All such disciplinary action will be taken at the sole discretion of the Company.

12. Breach Of securities Trading Policy

Any non-compliance with this Securities Trading Policy may result in disciplinary action. The severity of the breach will determine the action taken.

An Employee, director may also be subject to penalties and/ or prosecution under the Law if they engage in insider trading in contravention of this policy.

13. Publication of The Policy

This policy will be hosted on the website of the company as well as circulated to all members. From time to time, reminders on insider trading will be published in the newsletter of the company and sent through e-mails of members.

14. Monitoring and Review

The policy will be reviewed on a regular basis.