



# **Nigerian Exchange Group Plc**

## **Securities Trading Policy**

**Company Secretariat/ Compliance Department**  
**[April 2023]**

**Compiled/Reviewed by:**

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**Approvals**

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## GLOSSARY

The following terms and abbreviations shall have the following meaning in this policy.

Board	Board refers to the Board of Directors of Nigerian Exchange Group Plc and its Subsidiaries.
Business Day	Except where the context otherwise requires, a day (other than a Saturday or a Sunday or a public holiday) on which banks licensed by the Central Bank of Nigeria are open for business in Nigeria.
Capital Market Operator	A person (individual or corporate) duly registered by the Securities and Exchange Commission to perform specific functions in the Nigerian Capital Market.
Closed Period	This refers to specific period (specified in this policy) or as may be specified from time to time by the Compliance Unit or any rule of the NGX in which the Directors, employees and their connected persons shall not deal in any transaction involving the purchase or sale of NGX Group Plc shares.
Commission	Refers to the Securities and Exchange Commission.
Contract Employee	Employees who are employed for a fixed term and regularly scheduled to work more than [40] hours per week.
Connected Persons	Family members or persons closely related or associated to Directors or Employees of NGX Group or Subsidiaries ; or companies in which a Director or an employee of NGX Group or Subsidiaries holds substantial securities or persons connected to such companies or a director or an officer or employee of NGX Group or Subsidiaries where the relationship is such that the connected person has access to unpublished price sensitive information of the securities of the company which, it would be reasonable to expect a person in his position not to disclose except in the performance of his functions.
Consultants	Contract employees engaged by business units of Nigerian Exchange Group Plc and subsidiaries to provide specific services usually on projects or as otherwise stated in their contracts. Their monthly remuneration is administered as defined within their contract. They are required to submit monthly time sheet evidencing they have worked for the hours specified in their contracts.
Deal/trade/transaction	Any acquisition or disposal of Nigerian Exchange Group Plc shares, or any agreement or undertaking to acquire or dispose of same.
Director	A member of the Board of NGX Group or its subsidiaries (including but not limited to) Nigerian Exchange Limited, NGX Regulation Limited, and NGX Real Estate Limited.

Employee	An individual that works for the NGX Group or its Subsidiaries irrespective of his position (officer, manager etc.), in the hierarchy, his type of remuneration (salaries, commissions, fees etc.) or his status (regular, part-time, intern, contract, consultant etc.)
Family Members	The family of a director or an employee includes a person (not being a director or an employee) who is the husband or wife (including the reputed husband or wife) a child or the parents of the director or employee.
Insider	<p>“Insider” means an individual:</p> <ul style="list-style-type: none"> <li>a) who is connected with the company during the preceding six (6) months in one of the following capacities: <ul style="list-style-type: none"> <li>i. director of the company or a related company</li> <li>ii. an officer of the company or a related company</li> <li>iii. an employee of the company or a related company</li> <li>iv. a person involved in a professional or business relationship with the company as above</li> <li>v. a shareholder who owns 5% or more of any class of securities or any person who can be deemed to be an agent of any of the above listed persons; and</li> <li>vi. members of the audit committee.</li> </ul> </li> <li>b) who by virtue of having been connected with the company as mentioned in paragraph “a” has obtained unpublished price sensitive information in relation to the securities of the company.</li> </ul>
Insider Dealing	This includes insider trading and occurs when a person or group of persons who being in possession of some confidential and price sensitive information not generally available to the public, utilizes such information to buy or sell securities for the benefit of himself, itself or any person.
NGX	Refers to Nigerian Exchange Limited or OpCo
NGX Group	Refers to Nigerian Exchange Group Plc or HoldCo
NGX Group Securities	Means the shares, debentures, bonds, notes, or derivatives products of NGX Group financial assets.
Personal Dealing	Personal trade in an investment or security by a director or an employee in securities listed on the floor of Nigerian Exchange Limited.
Regulator	The Securities and Exchange Commission established by the Investment and Securities Act, 2007.

Securities	Refers to (a) debentures, stocks or bonds issued or proposed to be issued by a government or a body corporate, (b) any right or option in respect of any such debentures, stocks, shares, bonds or notes; or (c) commodities futures, contracts, options and other derivatives, including those securities in the category of the securities listed in (a) - (c) above which may be transferred by means of any electronic mode approved by the Commission and which may be deposited, kept or stored with any licensed depository or custodian company.
Subsidiary	An entity in which Nigerian Exchange Group holds more than 50% shareholding.

## 1 INTRODUCTION

Trading on unpublished price sensitive information by insiders of a listed company is prohibited in Nigeria. As a Listed Company, the Directors and employees of NGX Group, its Subsidiaries and their connected persons constitute insiders who are required to comply with the Laws, Rules and Regulations of the Federal Republic of Nigeria on insider trading. To ensure compliance with the regulatory requirements on insider dealings, this Securities Trading Policy (also be referred to as ‘the Policy’) has been prepared to guide Directors and employees’ conduct on trading in the securities of NGX Group.

As a Listed Company, our Policy is designed to comply with relevant rules, laws and codes such as:

- ✓ Investment Security Act (ISA 2007; Section 111)
- ✓ Financial Reporting Council Corporate Governance Code (FRCN Code Principle 25).
- ✓ Consolidated Rules of the Securities and Exchange Commission 2013 as updated from time to time (SEC Rules 184, 400,401, 402, 402 and 404).
- ✓ Securities and Exchange Commission’s Code of Conduct for Capital Market Operators and their Employees, and SEC Corporate Governance Guidelines.
- ✓ The Rulebook of The Nigerian Stock Exchange, 2015 as amended (Rule 7,8,14, & 17).

These rules, laws and codes provide guidance on the expected conduct of insiders.

## 2 APPLICABILITY

The Policy applies to all insiders and their connected persons which include: Directors and employees of the Nigerian Exchange Group Plc (“NGX Group”) and any of its Subsidiaries; jointly referred to as ‘NGX Group of Companies’ and their connected persons.

Without prejudice to the above, each of the regulated Subsidiaries will have its own Securities Trading Policy/Personal Account Dealing Policy to address its peculiar operational and regulatory requirements.

## 3 OBJECTIVES

The Policy sets out in clear terms the conditions under which Directors and employees may deal in securities of NGX Group and the procedures to follow if they choose to deal in securities of NGX Group. The Policy seeks to ensure that Directors and employees comply with their obligations under the applicable law and that they do not abuse, or place themselves under suspicion of abusing confidential and price-sensitive information that they may be thought to have.

## 4 OWNERSHIP AND REVIEW

- 4.1 The Board shall have overall responsibility in ensuring that this Policy: (i) is updated as required to remain in compliance with applicable laws in force, and (ii) is implemented and strictly enforced to demonstrate NGX Group’s visible commitment to compliance with the law.
- 4.2 The Company Secretariat & Compliance Department shall be responsible for the day-to-day implementation and enforcement of this Policy, including the conduct of training, compliance programs, and the interpretation of this Policy. The Department shall also be responsible for the maintenance of this policy and shall update the policy every three (3) years or at other shorter intervals as may be necessitated by changes in regulation and operational environment provided that no update shall be effective until approval is given by Board of Directors.
- 4.3 Each Director and Employee shall be responsible for reading this Policy carefully,

understanding and complying fully with this Policy – in letter and in spirit.

- 4.4 All Insiders shall be responsible for ensuring that their Connected Persons act in strict compliance with this Policy.

## **5 GENERAL POLICY STATEMENT**

An Insider and his/her connected Persons shall not deal in NGX Group Securities during a closed period; or in a pattern of frequent sales and purchases that may give the appearance of Insider Trading.

## **6 TRADING IN NGX GROUP PLC SECURITIES**

### **6.1 Directors Procedures for Dealing in NGX Group Securities**

- 6.1.1 Directors of NGX Group shall not deal (sale and purchase of securities) in NGX Group Plc securities within the closed period as specified in 7.4 below.
- 6.1.2 Directors are required to notify the Group Company Secretary and Head of Compliance 48 hours before any trade (buying and selling of their NGX Group Securities) for advice on the appropriateness of the timing of the deal.
- 6.1.3 Directors shall notify the Commission within 48hours of any trade in their NGX Group Plc securities in line with the requirement of SEC Rule 401. A copy of such notification shall be forwarded to the Group Company Secretary for record purposes.
- 6.1.4 Directors are also required to notify the Group Company Secretary in writing of the occurrence of all transactions conducted on their own account or on the accounts of their connected persons in NGX Group securities on the day on which the transaction occurred. The Group Company Secretary shall file the Report with NGX through its Issuers' Portal in line with Rule 14.3 of NGX Listing Rules immediately or as soon as possible.
- 6.1.5 Directors, in dealing in the shares of NGX Group must ensure that they are not dealing on unpublished price-sensitive information. They must also not to be involved in any transactions that appear to be manipulative and deceptive while trading in line with the requirement of SEC Rule 400.
- 6.1.6 It is the responsibility of every Director to ensure their connected persons are aware of their obligations to comply with this policy.



## **6.2 Authorization/Approval Process**

- 6.2.1 The Group Company Secretary/ Head of Compliance is required to respond to all notices or applications within one (1) Business Day. Authorized/approved trades are expected to be carried out within five (5) Business Days. Where this is not possible, the affected employee can seek for extension of time. Once approved trades have been executed, directors/employees are required to submit the evidence of the executed trades to the Group Company Secretary/ Head of Compliance respectively. The Security Trading Register will be updated accordingly. All securities purchased under this process must be held by directors and employees for not less than thirty (30) calendar days as speculative trades, intraday trades and buying and selling of NGX Group securities within a period of less than 30 calendar days will not be permitted.
- 6.2.2 Where extension of time is sought, and such extension if granted would fall into a closed period, such extension will not be granted unto after the expiration of the closed period.
- 6.2.3 Factors to be considered by the Group Company Secretary/ Head of Compliance before granting or denying approval include:
- i. Is there any unpublished price sensitive information available to employees?
  - ii. Does the period fall within a closed period; are there information that will make the timing of the trade to send out wrong signals to the investing public and other stakeholders?
  - iii. Will the trade affect negatively the image of the NGX Group?

- 6.3 The Group Company Secretary/ Head of Compliance is not obliged to provide information on the basis of the denial of the application, if such will lead to the further disclosure of unpublished price sensitive information.

The Securities Dealing Form is attached and labelled as Annex 2.

## **6.4 Dealing in NGX Group Securities by Employees of Vendor Companies providing Professional Services to NGX Group and its Subsidiaries.**

Employees of vendor companies providing professional and allied services for NGX Group and its Subsidiaries who may be exposed to unpublished price sensitive information by the nature of the service they provide shall not trade in the securities of NGX Group while providing the required services and for a duration of six (6) months after completion of the task or after leaving the employment of the vendor company. This requirement shall be stated clearly in the Agreement with the Vendor Companies.

## **7 PROHIBITION AGAINST INSIDER TRADING**

- 7.1 An Insider in possession of unpublished price-sensitive information shall not deal in, or encourage another person to deal in NGX Group Securities, even if the Insider does not benefit from the deal.
- 7.2 An Insider must not pass on unpublished price-sensitive information to others except as strictly necessary in the normal course of business for NGX Group and then only in circumstances where the recipient has agreed to keep such Information confidential.

- 7.3 An Insider shall not use unpublished price-sensitive information to deal in the shares or securities of another public listed company. Employees who by the nature of their job function and/or the position they occupy, may be deemed to have access to price sensitive information on a continuous basis such as those in Financial Reporting, Company Secretariat and management team are prohibited from trading in the NGX Group Securities 15 days before the end of each fiscal quarter prior to a close period announcement that impacts all staff.
- 7.4 Insiders who have had access to price-sensitive information, upon their exit from the Board, relevant departments, or from engagement by the Company, shall be required to abide with the terms of this policy for six (6) months following their exit in line with SEC Rule 400 (3).
- 7.5 The onus to comply with Section 7.1 -7.5 of this policy rests upon each insider individually. Where an Insider is in any doubt as to whether information, he/she possesses is on unpublished price-sensitive information, then he/she must seek clarification from the Group Company Secretary/ Head of Compliance before dealing in NGX Group Securities.
- 7.6 Without prejudice to the above, Directors and employees may take up their rights in a rights issue provided they notify the Group Company Secretary/ Head of Compliance of such transactions and make appropriate disclosures as stated in 6.1.3 respectively. No approval is required by employees to take up a right. However, employees who wish to buy up rights to participate in an on-going right issue will require prior approval of the Group Company Secretary/ Head of Compliance in line with the procedures in clause 6.3 above.
- 7.7 Directors and employees may subscribe to primary offers by NGX Group without obtaining a prior approval. However, they should notify the Group Company Secretary/ Head of Compliance of such transaction for the purpose of updating the Securities Trading Register. In case of over-subscription, Directors and employees should not be given preferential allotment of securities except under a prior approved Employment Share Scheme.

## **7.8 Special Circumstances**

- (i) Where an employee acts as a sole or co-executor for the winding up or management of an estate (of which he/she is not a beneficiary or his/her family members is/are not beneficiary/beneficiaries as the case may be) and the purchase or sale of NGX Group securities is involved, prior approval is not required however the subsequent notification of the Group Company Secretary/ Head of Compliance is required.
- (ii) Notwithstanding clause 7.2 (i), an employee will be required to seek prior approval where he/she acts as a sole or co-executor for the winding up or management of an estate of which he/she or his/her family members is/are beneficiary/beneficiaries provided that the purchase or sale of NGX Group securities is involved.
- (iii) Where an employee is a sole or co-trustee for a trust of which he/she or his/her family members are not beneficiaries, prior approval is not required however, subsequent notification of the Group Company Secretary/ Head of Compliance is required provided that the purchase or sale of NGX Group securities is involved.

## **7.9 Blind Trust Arrangement**

- 7.9.1 Directors and employees who choose to create a Blind Trust Arrangement should advise their investment managers about the terms of this policy.
- 7.9.2 It is recommended that Directors and employees who operate Blind Trust should advise their Trustees to exclude NGX Group securities from the Blind Trust Portfolio. Where Directors and employees choose this option they are required to advise the Company Secretary/Head of Compliance of this with evidence of the notice to their Trustee.

- 7.9.3 Directors and employees who choose not to adopt the recommended option in (7.9.2) above are required to: (i) provide evidence of forwarding the advisory on Closed Periods as issued from time to time by the Company Secretary/Head, Compliance to their Trustees; and (ii) submit bi-annually (March 1 and September 1 of every year) a written confirmation from their Trustee on whether or not NGX Group securities were traded on their portfolio during the period under review to the Group Company Secretary/Head of Compliance.
- 7.9.4 Notwithstanding the provisions in 7.9.2 and 7.9.3 above, where there is a whistleblowing tip on the operation of any Blind Trust operated by a Director or an employee, the Group Company Secretary/ Head of Compliance shall conduct an investigation or audit into the operation of the Blind Trust that is the subject of the complaint or whistleblowing tip.
- 7.9.5 Directors and employees will be required to provide copies of their Blind Trust Agreement and also authorise their Broker/Investment Adviser/Portfolio Manager and the Central Securities Clearing System Plc (CSCS) to grant the Group Company Secretary/ Head of Compliance unhindered access to the account for the purpose of the audit/investigation as stated in 7.9.3 above. A sample letter of authority to be addressed to Stock Broker/Investment Adviser/Portfolio Manager and CSCS is attached and labelled as **Annex 3**.

## **8 CLOSED PERIOD**

- 8.1 Directors, employees and their connected persons shall not deal in any transaction involving the purchase or sale of NGX Group Plc shares during closed periods or any other period as may be specified by NGX from time to time.
- 8.2 A closed period is from the end of a quarter to the last working day following the end of a quarter when Quarterly Management Accounts are due to be filed with the Commission and the relevant Exchange.
- 8.3 A closed period also includes the period from the end of the financial year, (December 31) until March 31, or from the end of financial year until when the Audited Accounts has been filed with the Commission and the Exchange.
- 8.4 The closed period shall also include any specific period that may be determined from time to time due to the occurrence of anyone or more of the following:
- a) The occurrence of an event (which is yet to be made public) the impact of which could affect the price of the NGX Group Plc shares;
  - 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.g. Amalgamation, mergers, takeovers and buy-back;
  - e) Disposal of the whole or a substantial part of the subsidiary or any undertaking;
  - f) Any changes in policies, plans or operations of the Company that are likely to materially affect the prices of the shares of the Company;
  - g) Disruption of operations due to natural calamities;
  - h) Litigation/dispute with a material impact; and
  - i) Any other price sensitive information which, if disclosed, is likely to materially affect the prices of the securities of the Company.

- 8.5 With the prior approval of the Group Company Secretary/Head of Compliance for employees and the Chairman of the Board of Directors for board members, trading may be permitted during a closed period in the following circumstances only:
- i) To execute transactions pursuant to statutory or regulatory obligations or court orders;
  - ii) To exercise stock options under a pre-existing employee stock option scheme; and
  - iii) To execute large volume trades or block divestments between Insiders only.

These exceptions will however be subject to the requisite regulatory approval as stated in Rule 17.18(d) of the NGX Issuers' Rules as amended.

- 8.6 The Group Company Secretary and Head of Compliance and/ or Chairman of the Board of Directors may decline approval for trading during a closed period, where it considers that such a trade if allowed will interfere with the integrity of NGX Group or any of its Subsidiaries or breach existing regulation of the Commission or Exchange.

## **9 MONITORING AND INVESTIGATION**

- 9.1 Compliance with the requirement of this policy shall be monitored by the Company Secretariat and Compliance Department. Where a possible breach is identified, proper investigations will be carried out. The department may seek support/information from any department or external organizations that could provide the required information/data to complete the investigation.
- 9.2 The Group Company Secretary/ Head of Compliance may also authorise investigations into a blind trust operated by a Director or employee based on a complaint or whistleblowing tip received by the company to ensure compliance with the provisions of this policy. The outcome of such investigation report shall be made available to management/board as appropriate.
- 9.3 For this purpose, a Director or employee shall authorize the Group Company Secretary/ Head of Compliance to have access to any securities investment accounts held by the Director or employee with the Central Securities Clearing Systems Plc and/or any Trading Licence Holder in the Director or employee's name or in which the Director/ employee has a beneficial interest.

## **10 SANCTIONS**

- 10.1 Directors may be subjected to disciplinary actions and called before a board-level Disciplinary Committee (which will be constituted for that purpose) if they are found to have breached the provisions of this policy in addition to other disciplinary measures that may be imposed by the Commission in line with the provisions of the NGX Group

Code of Conduct, Code of Conduct for Capital Market Operators and their Directors/Employees and the Investment and Security Act 2007.

- 10.2 Employees will be subjected to disciplinary action for violation of this Policy in line with the provisions of the Employee Handbook in addition to other disciplinary measures that may be imposed by the Commission in line with the provision of the Code of Conduct for Capital Market Operators and their Directors/Employees and the Investment and Security Act 2007.

## **11 REPORTING**

The Group Company Secretary/ Head of Compliance will report the outcome of monitoring adherence to the Policy on a quarterly basis as part of the Compliance Status Report to the

Management team and the relevant Board Committee. Special cases of investigations will be reported to Management and appropriate Board Committee for further action.

## 12 OTHERS

- (i) All the above restrictions and notification requirements are also applicable to “connected persons”. Directors and employees are required to advise their connected persons of the requirements under this Policy. Thus the obligations of such connected persons include the obligation to avoid insider dealing/trading or any appearance of insider dealing/trading.
- (ii) Directors and Employees should also inform their connected persons that their dealings in securities must be reported to their respective companies. The obligations for such disclosures however, rest on the relevant Directors and/or employees.
- (iii) Directors and employees would be required to confirm from time to time that they are in compliance with the provisions of the Securities Trading Policy.

**ANNEX 1: UNDERTAKING TO COMPLY WITH THE SECURITIES TRADING POLICY AND DECLARATION OF HOLDINGS IN SECURITIES LISTED ON NGX.**

I hereby acknowledge the receipt of a copy of the Securities Trading Policy of NGX Group of Companies. I affirm that I have read and understand the content of the Policy and that I and my connected persons shall comply with the terms of the Policy. I affirm that the information contained in Table 1 is an accurate reflection of all my holdings in NGX Group securities and that of my connected persons, as defined in the Policy, is set forth in Table II.

Full Name.....

Signature: .....

Date: .....

**Table 1: Details of Holdings in NGX Group Securities\***

S/N	Name of Securities	Date of Purchase	No. of Units Held	Remarks



**ANNEX 2: SECURITIES TRADING FORM**

Name of Owner / Beneficial Owner:	
Date of Authorization :	
Exemption Details:	
Transaction Type:	*Buy / Sell / Exercise / Call
Duration:	*Single / Rolling Transaction
Quantity:	
Type of Securities:	*Shares / Options / Futures / CFD / Warrants / Other (specify):
Security Name:	
Dealing Price:	
Broker:	
Dealing Date:	

**Declaration:**

I..... **do hereby confirm that:**

I have no insider information relevant to this dealing. I have read NGX Group’s Securities Trading Policy and believe that the proposed trade fully complies with the requirements of the Policy.

Signature\_\_\_\_\_

\*If the parties to the transaction do not include an employee of NGX Group, please complete the line below.

**Please state relationship with employee / link to The Exchange here:**

\_\_\_\_\_

**Authorised by:**



Please ensure that your contract note is submitted to the Group Company Secretary/ Head of

Name:	Signature:	Date:
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Compliance after the transaction

**ANNEX 3: LETTER OF AUTHORITY FOR NGX GROUP**

(To be adopted on corporate or personal letter head)

(To be addressed to the MD/CEO of the  
Stockbrokers/Investment Adviser/Portfolio Manager and CSCS LTD)

.....

.....

.....

[Date]

Dear Sir,

**Letter of Authorisation**

I hereby authorise that the Group Company Secretary/ Head of Compliance of Nigerian Exchange Group Plc (“NGX Group”) be granted unhindered access to all my accounts maintained with you for the purpose of making enquiries and reviewing compliance with NGX Group’s Securities Trading Policy on the presentation of a valid identity card of NGX Group.

This authorisation shall continue to be in force while I remain a Director or an employee of NGX Group until I expressly revoke it by notice in writing (after I cease to be a Director or after my employment with NGX Group, as the case may be) delivered to you thirty (30) days in advance before the change.

Thank you for your usual co-operation.

Yours faithfully,

[Signature]

\_\_\_\_\_

[Name]

Cc: GMD/CEO, Nigerian Exchange Group Plc.