

Security Trading Policy

The following are set guidelines on the sale and purchase of securities in the AICO Insurance Plc.

1. Preambles

These guidelines set out the policy on the sale and purchase of securities in AICO Insurance Plc otherwise referred to as “**AICO**” by its Directors, employees and Institutional Investors represented on the Board of the Company otherwise referred to as “Restricted Persons”.

“Restricted Persons” in the context of this policy refers to long-term holders of the Company’s securities. However, it is important that precautions are taken in the timing of any purchase or sale of such securities.

The guideline is designed to assist Restricted Persons to avoid conduct known as ‘insider trading’. The Company is guided by the provisions of the Investment and Securities Act 2007, (ISA) the Securities and Exchange Commission (SEC) Rules and Regulations and the Listing Rules of the Nigerian Stock Exchange (NSE) and shall continually ensure that it complies accordingly.

2. Extent of transactions covered by this policy?

The Security trading policy applies to both the sale and purchase of any securities of the Company as issued from time to time.

3. Definition of Insider trading?

3.1 Prohibition & Limitations

In clear terms, a person will be guilty of insider trading if:

- a. That person possesses information which is not generally available to the market and, if it were generally available to the market, would be likely to have a material effect on the price or value of the Company's securities (i.e. information that is 'price sensitive'); and that person:
 - i. buys or sells securities in the Company; or
 - ii. procures someone else to buy or sell securities in the Company; or
 - iii. passes on that information to a third party where that person knows, or ought reasonably to know, that the third party would be likely to buy or sell the securities or procure someone else to buy or sell the securities of the Company.

3.2. Examples

To illustrate the prohibition against insider trading described above, the following are possible examples of price sensitive information which, if made available to the market, may be likely to affect materially the price of the Company's securities:

- a. the Company considering a major acquisition or disposal of assets;
- b. the threat of major litigation against the Company;
- c. the Company's sales and profit results materially exceeding (or falling short of) the market's expectations;
- d. a material change in debt, liquidity or cash flow;
- e. a significant new development proposal i.e. new product or technology;
- f. the acquisition of or creation of a subsidiary;

- g. management or business restructuring proposal;
- h. a share issue proposal.

3.3. Trading by third parties

A person does not need to be a Restricted Person to be guilty of insider trading in relation to securities in the Company. The prohibition extends to trading by Restricted Persons through nominees, agents or other associates, such as family members, family trusts and family companies (referred to as "Associates").

Restricted Persons should also be careful that third parties, including professional advisers, are subject to confidentiality with respect to price sensitive information of the Company.

3.4. Information however obtained

It does not matter how or where the person obtains the information – it does not have to be obtained from the Company to constitute price sensitive information.

3.5. Employee share schemes

The prohibition does not apply to acquisitions of shares or options by employees made under employee share or option schemes, nor does it apply to the acquisition of shares as a result of the exercise of options under an employee option scheme. However, the prohibition does apply to the sale of shares acquired under an employee share scheme and also to the sale of shares acquired following the exercise of an option granted under an employee option scheme.

3.6. Penalties for Insider Trading

The penalties for a breach of the insider trading rules as stated in the Investment Securities Act can be criminal, civil or both criminal and civil, and penalties between N500, 000 to N1, 000,000, an amount equivalent to twice the amount of profit derived by it or loss averted by the use of the information obtained in contravention of any of the Act or seven years' imprisonment both for an individual and a corporation.

4.Guidelines for trading in the company's securities

4.1Trading Windows

The time for any Restricted Person to buy or sell Company securities is limited to 30 days before the:

- a. release of the Company's quarterly results announcement to the Nigerian Stock Exchange (NSE), Securities and Exchange Commission (SEC) and the Shareholders;
- b. release and publication of the Company's half yearly results announcement to the NSE, Shareholders and SEC;
- c. release of the Company's audited financial Statements announcement to the NSE, SEC and Shareholders; or
- d. release of a disclosure document offering securities in the Company.

COLLECTIVELY "TRADING WINDOWS"

Trading with the Company's securities by a Restricted Person outside the Trading Windows are strictly prohibited, except as a result of an exceptional circumstance as highlighted in subsequent paragraphs.

The Company may at its discretion vary this rule in relation to a particular Trading Window by general announcement to all Restricted Persons either before or during the period.

However, if a Restricted Person is in possession of price sensitive information which is not generally available to the market, then he or she must not deal in the Company's securities at any time.

4.2. No short-term trading in the Company's securities

Restricted Persons should never engage in short-term trading of the Company's securities except for the exercise of options where the shares will be sold shortly thereafter or unless such trades are substantially debt finance through sale and repurchase agreements and where they can be substantiated as such.

4.3. Trading by third parties

A Restricted Person who has information which is not generally available to the market and is 'price sensitive' cannot deal in another company's securities or communicate that information to others. Set out below are some examples (without being exhaustive) of how price sensitive information about another company may be obtained:

- A. during the course of a proposed transaction;
- B. during the course of due diligence investigations;
- C. Board deliberations;
- D. during the course of negotiations; or
- E. a significant new development proposal i.e. new product or technology;

F. Information provided by others during the ordinary course of business.

Therefore, for example, where an individual is aware that the Company is about to sign a major agreement with another company, they should not buy securities in either the Company or the other company.

4.4. Exceptions

It is contemplated that there may be trading that can be excluded under this policy from the insider trading provisions, therefore Restricted Persons may at any time:

- i. acquire ordinary shares in the Company by conversion of securities giving a right of conversion to ordinary shares;
- ii. acquire Company securities under a bonus issue made to all holders of securities of the same class;
- iii. acquire Company securities under a dividend reinvestment, or top-up plan that is available to all holders or securities of the same class;
- iv. acquire, or agree to acquire or exercise options under any Company Share Option Plan;
- v. withdraw ordinary shares in the Company held on behalf of the employee in an employee share plan where the withdrawal is permitted by the rules of that plan;
- vi. acquire ordinary shares in the Company as a result of the exercise of options held under an employee option scheme;
- vii. transfer securities of the Company already held into a superannuation fund or other saving scheme in which the restricted person is a beneficiary;
- viii. make an investment in, or trade in units of, a fund or other scheme (other than a scheme only investing in the securities of the Company) where the assets of the fund or other scheme are invested at the discretion of a third party;

- ix. where a Restricted Person is a trustee, trade in the securities of the Company by that trust provided the Restricted Person is not a beneficiary of the trust and any decision to trade during a prohibited period is taken by the other trustees or by the investment managers independently of the Restricted Person;
- x. undertake to accept, or accept, a takeover offer;
- xi. trade under an offer or invitation made to all or most of the security holders, such as, a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the board. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;
- xii. dispose of securities of the Company resulting from a secured lender exercising their rights, for example, under a margin lending arrangement;
- xiii. exercise (but not sell securities following exercise) an option or a right under an employee incentive scheme, or convert a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a prohibited period and the Company has been in an exceptionally long prohibited period or the Company has had a number of consecutive prohibited periods and the restricted person could not reasonably have been expected to exercise it at a time when free to do so; or
- xiv. trade under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this Policy.

4.5. Notification of periods when Restricted Persons can trade

The Company Secretary will endeavor to notify all Restricted Persons of the Trading Windows when they are permitted to buy or sell the Company's securities as set out in paragraph 4.1.

5. Notification Requirements

5.1. Notification

Any Restricted Person who (or through his or her Associates) buys, sells, or exercises rights in relation to Company securities must notify the Company Secretary in writing of the details of the transaction within two (2) business days of the transaction occurring. This notification obligation operates at all times but does not apply to acquisitions of shares or options by employees made under employee share or option schemes, nor does it apply to the acquisition of shares as a result of the exercise of options under an employee option scheme.

5.2. Restricted Persons' sales of securities

Restricted Persons need to be mindful of the market perception associated with any sale of Company securities and possibly the ability of the market to absorb the volume of shares being sold. With this in mind, the management of the sale of any significant volume of Company securities (in excess of 5% of the Company's shareholding) by Restricted Persons needs to be discussed with the Management or Board or the Company's legal or financial advisers prior to the execution of any sale. These discussions need to be documented in the form of a file note, to be retained by the Company Secretary.

5.3. Exemption from Trading Window restriction due to exceptional circumstance

A Restricted Person who is not in possession of price sensitive information in relation to the Company, may be given prior written clearance by the Chairman or in the case of the Chairman, the majority of all of the other members of the board, to sell or otherwise dispose of Company securities outside of a Trading Window where the person is in severe financial hardship or where there are exceptional circumstances as set out in this policy.

5.4. Severe Financial Hardship or Exceptional Circumstances

The determination of whether a Restricted Person is in severe financial hardship or suffering from an exceptional circumstance will be made by the Chairman, and the majority of the Board in the case of the Chairman. A financial hardship or exceptional circumstances determination can only be made by examining all of the facts and if necessary obtaining independent verification of the facts from banks, accountants or other like institutions.

5.5. Financial Hardship

A Restricted Person may be in severe financial hardship if they have a pressing financial commitment that cannot be satisfied other than by selling the securities of the Company.

In the interests of an expedient and informed determination by designated officers, Chairman or Board of Directors, any application for an exemption allowing the sale of Company securities outside of the Trading Windows based on financial hardship must be made in writing, be accompanied by a statutory declaration stating all of the facts and be accompanied by copies of relevant supporting documentation, including contact details of the persons accountant, bank and other such independent institutions.

Any exemption, if issued, will be in writing and shall contain a specified time period during which the sale of securities can be made.

5.6. Exceptional Circumstances

Exceptional circumstances may apply to the disposal of Company securities by a Restricted Person if the person is required by a court order, a court enforceable undertaking for example in a bona fide family settlement, to transfer or sell securities of the Company or there is some other overriding legal or regulatory requirement to do so.

Any application for an exemption allowing the sale of Company securities outside of the Trading Windows based on exceptional circumstances must be made in writing and be accompanied by relevant court and/or supporting legal documentation.

Any exemption, if issued, will be in writing and shall contain a specified time period during which the sale of securities can be made.

6. Margin Loan Arrangements

6.1. Funding Agreements

A Restricted Person may enter into a margin loan or similar funding arrangement in respect of any Company securities (Funding Arrangements).

6.2. Market Disclosure

Where a Restricted Person's Funding Arrangement involves the transfer of 5% or more of the Company's securities, the Board and Company Secretary shall make appropriate disclosure to the market of any key terms of the Funding Arrangements in accordance with applicable NSE rules and the Company's Shareholder Communications and Corporate Disclosure Policies.

7. NSE Notification for Directors

The NSE Listing Rules require the Company to notify the NSE within 2 business days after any trading in securities of the Company (either personally or through an Associate) which results in a change in the relevant interests of a Director in the securities of the Company. The Company has made arrangements with each Director to ensure that the Director promptly discloses to the Company Secretary all the information required by the NSE.

8. Effect of Compliance with this Policy

Compliance with this policy for trading in the Company's securities does not absolve that individual from complying with the law (Investment and Securities Act 2007 (ISA), the Securities and Exchange Commission Rules and Regulations and the Listing Rules of the Nigerian Stock Exchange), which must be the overriding consideration when trading in the Company's securities.

The Board takes the matter of trading in the Company's securities by Restricted Persons seriously and expects full compliance with this Policy. Failure to comply with this Policy may result in termination of employment or other disciplinary action.