



FLOUR MILLS OF NIGERIA PLC

SECURITIES TRADING POLICY

OF

FLOUR MILLS OF NIGERIA PLC



FLOUR MILLS OF NIGERIA PLC

TABLE OF CONTENTS

Serial No	Topic	Page No
1.	Introduction	3
2.	Objective	3
3.	Application	4
4.	Restriction on Dealing	5
5.	General Restrictions	5
6.	Special Restrictions	6
7.	Notification and Clearance	6
8.	Trading Windows	7
9.	Closed Period	8
10.	Period of Closure	8
11.	Reporting of Transactions	9
12.	Disclosure Requirements	10
13.	Obligation to Maintain Confidentiality	10
14.	Penalties	10
15.	Revision	11
16.	Acknowledgement	11
17.	Clarifications	11



FLOUR MILLS OF NIGERIA PLC

1. INTRODUCTION

“Securities Trading” describes dealings, selling or buying, directly or indirectly, in the shares of a company by a natural or juristic person, persons or group of persons in possession of confidential and unpublished price sensitive information not available to the public (an Insider or Insiders), utilizing such information to make a profit or avoid loss for the benefit of himself or by divulging such price information to a third party either knowingly or unknowingly who uses it for his/her benefit. To so deal, constitutes a criminal offence.

This Policy shall apply to and bind all persons and/or group of persons considered as Insider or Insiders under this Policy in Flour Mills of Nigeria Plc (FMN or the Company).

2. OBJECTIVE

Flour Mills of Nigeria Plc (FMN or the Company) endeavors to preserve the confidentiality of un-published price sensitive information and prevent misuse of such information. It is also committed to transparency and fairness in dealing with all stakeholders and ensuring adherence to all applicable policies, laws and regulations. Therefore, in compliance with the Listing Rules (as amended) of the Nigerian Stock Exchange (NSE or the Exchange) which is to the effect that every listed company shall establish a Securities Trading Policy which shall be circulated to all employees and directors who may at any time possess any inside or material information about the Company. The objectives of this policy are:

- Give a basic understanding of the law and regulations relating to insider trading;
- Reiterate FMN’s position on proper business conduct for the Prevention of Insider Trading for the benefit of and compliance by all concerned;
- Guidance for the Company's Directors, Officers and Employees on the policy and pre-clearance/notification procedures to be followed when dealing in the shares or other securities of the Company.



FLOUR MILLS OF NIGERIA PLC

The Companies and Allied Matters Act LFN 2004 (CAMA), Investment and Securities Act (ISA 2007), the Securities and Exchange Commission (SEC) Consolidated Rules and Regulations, Nigerian Code of Corporate Governance (NCCG 2018) and the Nigerian Stock Exchange (NSE) Listing Rules (as amended) govern insider dealing in Nigeria. This Securities Trading Policy incorporates the applicable provisions of the CAMA, ISA, SEC and NSE regulations relating to insider dealing

3. APPLICATION

For the purpose of this Policy an Insider shall be one who is or has been connected with the Company during the preceding six months in one of the following capacities:

- a) a director of the Company or a related company.
- b) an officer of the Company or a related company.
- c) an employee of the Company or a related company.
- d) a person involved in a professional or business relationship with the Company as above
- e) a shareholder who owns 5% or more of any class of securities or;
- f) any person who can be deemed to be an agent of any of the above listed persons; and
- g) members of the Company's Statutory Audit Committee.

This policy shall be circulated to all employees, consultants and related individuals who are within the above capacities. New employees shall be given a copy of this policy and consultants of the Company shall also be given a copy upon the commencement of their relationships.

An Insider shall be responsible for ensuring compliance by family members and entities over which he or she exercises voting or investment control including family trusts. Where an individual is unsure about any matter in this policy or its applicability, such person should direct his/her questions to the Company Secretary for guidance.



FLOUR MILLS OF NIGERIA PLC

4. RESTRICTIONS ON DEALING

This Policy places two sets of restrictions in dealing in the securities of the Company:

- Restrictions applicable to all Company Employees, which prohibit dealing in the shares or other securities of the Company or any other, listed Company when in possession of insider information.
- Restrictions applicable to Insiders, which prohibit dealing in the shares and securities of the Company at certain times and imposes the requirement of pre-clearance and other obligations on certain Insiders such as Directors, officers or consultants who may want to transact in the Company's securities at other times.

The restrictions in this Policy may in certain cases, go beyond strict legal requirements and are intended to preserve the reputation of the Company and the individuals to which the Policy applies.

A. General Restrictions:

No Director, Officer, Employee or Consultant of the Company who is aware of unpublished price sensitive information relating to the Company may, directly or indirectly through family members or other persons or entities:

- i. Buy or sell securities of the Company.
- ii. Engage in any other action to take personal advantage of that information.
- iii. Pass that information on to others outside the Company, including friends and family.
- iv. Make recommendations or express opinions as to trading in the Company's securities while in possession of unpublished price sensitive information.
- v. In addition, no Officer, Director, Employee or Consultant who in the course of working for the Company, learns of unpublished price sensitive information of another listed company, may trade in that company's securities or encourage someone else to deal in the securities until such information becomes public or is no longer material.



FLOUR MILLS OF NIGERIA PLC

Please note that it is a criminal offence to deal in the securities of any listed company, directly or indirectly at any time when in possession of any unpublished price sensitive information in relation to such securities.

This Policy continues to apply to transactions in the Company's shares or securities even after termination of employment for six (6) months thereafter. Notwithstanding the foregoing, if an employee is in possession of unpublished price sensitive information when his or her employment terminates, he or she may not trade in the Company's securities until that information has become public or is no longer material.

B. Special Restrictions

In addition to the restrictions set out above, this Policy places special restrictions on certain Company Insiders (Directors, Officers, Employees, Consultants, persons having professional business relationships with the Company, and their connected persons) in dealing with the Company Securities. The Company Insiders to whom these special restrictions apply must:

- Not deal in Company Securities during Close Periods. The Company Secretary, in consultation with the Management and Board of the Company, shall provide information on Open and Closed periods from time to time.
- Always seek pre-clearance for dealing in Company Securities. The requirement of obtaining pre-clearance shall also be applicable to the dependants of the Special Company Insiders.
- Not deal in Company Securities based on short-term considerations. Generally, Company Securities should not be sold within one (1) year of purchase and any purchases should not be made within One (1) year of any sale.

5. NOTIFICATION AND CLEARANCE

All purchases and sales of Company securities by Company Insiders must be pre-cleared by the Company Secretary. The intent of this requirement is to prevent inadvertent



FLOUR MILLS OF NIGERIA PLC

violations of the applicable rules and regulations, avoid trades involving the appearance of improper insider trading, facilitate timely reporting and avoid prohibited transactions.

All Directors, persons discharging managerial responsibility in the Company and persons closely connected to them as well as all Insiders shall notify the Company Secretary in writing of securities transactions it intends to conduct. This is to prevent inadvertent violations of this Policy, trades having the appearance of improper trading, prohibited transactions and to facilitate timely reporting to the NSE.

Clearance requests will be handled electronically. Upon due consideration of request, clearance may either be given or declined. Where clearance is given, dealing must be made as soon as possible and must be completed within two (2) business days (excluding date of authorization). If dealing is not completed within this period, fresh clearance must be obtained. Any dealing must be completed before the beginning of the next Close Period.

6. TRADING WINDOWS

The period prior to declaration of price sensitive information is particularly sensitive for transactions in the Company' securities. This sensitivity is due to the fact that the Directors, persons discharging managerial responsibilities, Advisers of the Company and their connected persons will, during that period; often possess unpublished price sensitive information. During such sensitive period, no Company Insider shall trade in the Company's securities.

All Directors, persons discharging managerial responsibility and Advisers of the Company and their connected persons shall conduct all their dealings in the securities of the Company only during the open 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 the NSE from time to time.



FLOUR MILLS OF NIGERIA PLC

A. Closed Period.

No Director, persons discharging managerial responsibilities, Adviser of the Issuer 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.

The closed period shall be at the time of:

- a) Declaration of Financial results (quarterly, half yearly and annually).
- 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. a new joint venture.
- e) Amalgamation, mergers, takeovers and buy-back.
- f) Disposal of the whole or a substantial part of the Company's undertaking.
- g) Any changes in policies, plans or operations of the Company that are likely to materially affect the prices of the shares or securities of the Company.
- h) Disruption of operations of any business unit or subsidiary 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.
- k) Generally, anytime considered to be a period during which the Company is contemplating a price sensitive decision.

B. Period of Closure

The period of closure shall be effective from 15 days prior to the date of any Board Meeting of the Company where the Directors propose to consider any of the matters referred to above or the date of circulation of agenda papers pertaining to any of the



FLOUR MILLS OF NIGERIA PLC

matters referred to above, whichever is earlier, up to 24 hours after the price sensitive information is submitted by the Company Secretary to NSE. The trading window shall thereafter be opened. The Company Secretary shall notify The Exchange in advance of the commencement of each closed period.

The Company Secretary may, on a case by case basis, authorize a transaction in the Company's securities outside of the trading window due to severe financial hardship or other exceptional circumstances (this arises if a person is required by a court to transfer or sell Company securities or there is an overriding legal requirement to do so). Any request for an exemption on the above-mentioned basis must be in writing and must describe the amount and nature of the proposed transaction and be accompanied with copies of relevant supporting documentation. (The request may be made as part of a notification). Provided it is in writing and that he/she is not in possession of unpublished price sensitive information concerning the Company.

Please note that the foregoing does not in any way oblige the Company Secretary to approve any requested exemption.

7. REPORTING OF TRANSACTIONS

All Directors, persons discharging managerial responsibilities, Advisers of the Company and their connected persons including other designated Employee Insiders shall immediately notify the Company Secretary in writing of the occurrence of all transactions conducted on their own account in the shares of the Company on the day on which the transaction occurred and the Company through the office of the Company Secretary shall maintain a record of such transactions which shall be provided to the NSE.



FLOUR MILLS OF NIGERIA PLC

8. DISCLOSURE REQUIREMENTS

In order to maintain transparency, this Policy is to be publicized in the internal communications of the Company and the Company's website in accordance with the NSE requirements.

9. OBLIGATION TO MAINTAIN CONFIDENTIALITY

The confidentiality of any information, whether inside or material having any effect including on share price must be strictly maintained within the Company by all persons, including external advisers, who have access to the information, regardless of title or position inside or outside the Company. Inadvertent disclosure of non-public information may result in a breach of confidentiality and where such breached information contains unpublished insider or material information concerning the Company it is possible that this may give rise to a breach of the applicable legal regulations and this Policy.

10. PENALTIES

Failure to comply with this Securities Trading Policy or the applicable insider trading rules and regulations of the Securities and Exchange Commission (SEC) and the NSE is a serious disciplinary matter, which may lead to dismissal and may also constitute a criminal offence.

All breaches of this Policy shall be reported to the Board of Directors of the Company and the NSE.

The disciplinary actions taken by the Company for breach of this Policy by any employee shall be without prejudice to any civil or criminal action that the regulatory authorities may initiate against such employee.



FLOUR MILLS OF NIGERIA PLC

11. REVISION

The Board of Directors may approve a change of the terms of this Policy from time to time to respond to developments in law and regulations. The Company will take steps to inform all affected persons of any material change to this Code.

12. ACKNOWLEDGEMENT

The Policy will be circulated to all employees upon its coming into effect and to all new employees at the start of their employment or relationship with the Company. Upon receiving a copy of the Policy or any revised version, each employee or Insider automatically acknowledges receipt of the Policy and agrees to be bound by and comply with the terms. The Employees and Insiders further consent to the Company imposing sanctions for violation of this Policy and to issue any necessary stop-transfer orders to the Company's transfer agent to enforce compliance with this Code. All Employees and Insiders circularized are deemed to have completed the Confirmation & Declaration template set out in **Appendix A** hereto.

13. CLARIFICATIONS

All Directors, Officers, Employees and other Insiders of the Company are advised to peruse this Policy carefully and acquaint themselves with all the provisions contained herein. The Company Secretary will be available for clarification and assistance as may be required. A copy of the relevant Nigerian Regulation(s) relating to Insider Trading may on request be obtained from the Company Secretary.

Approved on the 10th day of **September, 2020**

CHAIRMAN

SECRETARY



FLOUR MILLS OF NIGERIA PLC

APPENDIX A

Securities Trading Policy - Confirmation and Declaration

To,
The Company Secretary,
Flour Mills of Nigeria Plc
1, Golden Penny Place,
Wharf Road, Apapa,
Lagos.

Name:

Employee No:

Designation:

Level/Grade:

Unit/Division:

I have received a copy of the Securities Trading Policy of Flour Mills of Nigeria Plc, and I have studied same and confirm that I fully understand the requirements of the Policy and hereby agree to abide by the Policy.

I also understand that any breach of the Policy could lead to disciplinary action(s) as prescribed under the Policy.

Signature:

Date:.....