

SECURITIES TRADING POLICY

Introduction:

This Securities Trading Policy (the "**Policy**") of Portland Paints and Products Nigeria Plc (the "**Company**") is based on Rule 17.15 of the Listing Rules of the Nigerian Stock Exchange (the "**NSE Rule Book**") and the Rules and Regulations of the Securities & Exchange Commission (SEC), 2013 (as amended) which requires every listed company to have a Securities Trading Policy which shall apply to all employees and directors and shall be circulated to all employees that may at any time possess any unpublished price sensitive information about the company.

This Policy applies to all employees, directors, principal officers and persons discharging managerial responsibility, external advisers of the Company, persons closely connected to them and all Insiders of the Company who may at any time possess any unpublished price sensitive information about the Company.

The objective of this Policy is to restrict officials of the Company who are aware of or privy to any unpublished price sensitive information about the Company from dealing in the Company's Securities as soon as they become aware of them or become privy to them until the information has been made public. Therefore, an Official must not make any unauthorised disclosure of confidential information to any other person or make any use of such information for his/her advantage or that of others.

1. **DEFINITION OF TERMS**

The following are the definition of some terms used in this Policy:

"Closed Period" means a period commencing 15 days prior to the date of any meeting of the Board of Directors proposed to be held to consider any of the following matters, or the date of circulation of agenda papers pertaining to a Board meeting on any of the following matters, up to 24 hours after price sensitive information is submitted to the Exchange. Closed Period shall be at a time of:

- (i) Declaration of Financial results (quarterly, half - yearly and annual) and dividends (interim and final).
- (ii) Issue of securities by way of public offer, rights issues, bonus, etc.
- (iii) Any major expansion plans or winning of bid or execution of new projects.

- (iv) Amalgamation, mergers, takeovers and buy – back.
- (v) Disposal of the whole or a substantial part of the undertaking.
- (vi) Any changes in policies, plans or operations of the Company that is likely to materially affect the prices of the securities of the Company.
- (vii) Disruption of operations due to natural calamities.
- (viii) Litigation/dispute with a material impact.
- (ix) 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.

‘Free or Open Period’ means the period when Employees and Directors of the Company, persons closely connected to them, and all Insiders are free to trade in the securities of the Company or when the trading window is open.

‘Insider’ means an individual:

- A. who is connected with the Company in one of the following capacities:
 - (i) A director, officer, employee of the Company or a related company
 - (ii) a person involved in a professional or business relationship with the Company as above
 - (iii) 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
 - (iv) members of the audit committee of the company.
- B. who by virtue of being connected with any of the persons listed in paragraph “A,” or connected with the Company in any other way, possesses or has obtained Inside Information of the Company. This includes the spouse, parents, children and other relatives of persons listed in paragraph A above.

‘Inside Information’ – means information related to the Company or the Company’s Securities, directly or indirectly, which is not published and the disclosure of which may have a substantial effect on the price of its listed or traded securities or derivative instruments connected to those Securities. The information is of a precise nature which is specific to the Company and is likely to have a significant effect on the price of the shares if it were generally available.

“**Officials**” includes any directors, principal officer, employees, persons discharging managerial responsibility and external advisers of the Company and Persons Closely Connected to them;

‘**Persons closely connected**’ include an individual’s spouse, relative or the spouse of a relative and other close dependants.

‘**Securities**’ include shares, debentures and bonds of the Company.

2. DUTY TO MAINTAIN INSIDER LIST

2.1 The Company shall maintain a list of:

- (i) employees that have access to Inside Information; and
- (ii) the principal contact details of any other relevant person who also have access to Inside Information regarding either the Company or Securities of the Company.

2.2 The Insider 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.

2.3 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;
- (iii) any person on the list no longer has access to Inside Information; and
- (iv) there is a Closed Period.

3. NOTICE OF TRANSACTIONS

3.1 Notice of Transactions

- (a) The Company shall publicize this Securities Trading Policy in its internal communications, on a regular basis, and place it on its website.
- (b) All directors, persons discharging managerial responsibility and persons closely connected to them shall notify the Company in writing through the Company Secretary of the occurrence of all transactions conducted on their own accounts in the shares of the Company on the day on which the transaction occurred and the Company Secretary shall maintain a record of such transaction which shall be provided to the Nigerian Stock Exchange within two (2) business days of the NSE making a request in that regard.

- (c) Directors and other Insiders shall notify SEC of the sale of their shares in the company or any purchase of shares in the Company not later than 48 hours after such activity

3.2 **Publication of Notice**

The Company shall publish a notice of dealing in shares by its directors on the Nigerian Stock Exchange (NSE) Issuer's Portal within 24 hours of such transaction.

In relation to securities transactions by directors, the Company shall disclose in its interim reports and the corporate governance report contained in its annual reports:

- (a) that the Company has adopted a securities trading policy on terms no less exact than the required standard set out in the Rulebook of the NSE, 2015(as amended);
 - (b) compliance with the Company's Security Trading Policy; and
 - (c) in the event of any non-compliance with the Security Trading Policy, the details of such non-compliance and an explanation of the remedial steps taken by the Company to address such non-compliance.
4. The Company shall notify the NSE whenever any unusual price movements which cannot be justified by ordinary market conditions occur in the prices or trading volumes of its securities.
5. Whenever the Company becomes aware of any rumour or report, true or false, in the press or the media, which is likely to have a bearing on an investor's investment decisions and the value of the Company's shares, and such information is of a different essence than the information previously disclosed to public by its representatives via material disclosures, prospectuses, circulars, announcements approved by the NSE, Financial Reports and other public disclosure documents, Company shall make a public statement to clarify its position as promptly as possible.

6. **TRADING RESTRICTIONS**

- 6.1 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 Persons connected to them will, during that period, often possess unpublished price sensitive information.
- 6.2 During Closed Period, no Insider shall trade in the Company's securities.

- 6.3 All Insiders 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.
- 6.4 Officials of the Company shall not effect any transaction in the Company's securities if they possess Insider Information about the Company.
- 6.5 The prohibition extends to dealings by Officials through nominees, agents or other associates, such as family members, family trusts and family companies.

7. ENFORCEMENT OF CONFIDENTIALITY

The Company shall enforce confidentiality against all advisers that it appoints or uses from time to time in connection with its price sensitive information.

8. BREACH OF SECURITIES TRADING POLICY

- 8.1 Any non-compliance with this Policy may result in disciplinary action. The severity of the breach will determine the action taken.
- 8.2 An employee or a director may also be subject to penalties and/ or prosecution under the Law if they engage in insider trading in contravention of this Policy.

9. INTERPRETATION AND REVIEW

- 9.1 Any question regarding interpretation or scope of application of this Policy should be referred to the Company Secretary.
- 9.2 This Policy shall be reviewed as the need arises to ensure it remains consistent with relevant standards of corporate governance.

10. DATE OF ADOPTION

This Policy is datedDAY OF.....2021

REVIEWED AND ENDORSED BY:

COMPANY SECRETARY: _____

CHIEF FINANCE OFFICER _____

MANAGING DIRECTOR: _____

APPROVED BY:

CHAIRPERSON, BOARD OF DIRECTORS: _____