

# SECURITIES TRADING POLICY



COURTEVILLE BUSINESS SOLUTIONS PLC.  
*...enabling systems*

Approved by the Board of Directors  
March 10, 2016

# SECURITIES TRADING POLICY

## 1.0 DEFINITIONS

### **Board of Directors**

Means the Board of Directors of the Company.

### **Business Day**

Any day except a Saturday, Sunday or public holiday in Nigeria.

### **CAMA**

Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigeria 2004 or as amended or replaced by any subsequent enactment.

### **Chairman**

Means the Chairman of the Board of Directors of the Company.

### **Closed Period**

1. The period of 15 days prior to any meeting of the Board to consider the underlisted matters and where necessary extending to 24 hours after price sensitive information is submitted to the Exchange.
  - Declaration of Financial results (quarterly, half-yearly and annually)
  - Declaration of dividends (interim and final)
  - Issue of securities by way public offer or rights or bonus, etc.
  - Any major expansion plans or winning of bid or execution of new projects
  - Amalgamation, mergers, takeovers and buy-back
  - Disposal of the whole or a substantial part of the undertaking
  - Any changes in policies, plans or operations of the Company that are likely to materially affect the prices of the securities of the Company
  - Disruption of operations due to natural calamities
  - Litigation/dispute with a material impact
  - 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.
2. Such other period(s) as the Board may from time to time notify in writing and designate as a closed period.

### **The Commission or SEC**

Means the Securities and Exchange Commission.

### **Connected Persons**

Includes the immediate and close members of family such as wives (or equivalent), children, siblings and parents and any entity or person or associate or trust over whom influence or control is exercised.

### **Component**

Means current subsidiaries and associated companies and any other future subsidiaries or associated companies of CBSPlc.

### **Company or CBSPlc**

Means Courteville Business Solutions Plc.

**Director**

Means a member of the Board of Directors of Courteville Business Solutions Plc or the board of directors of any component.

**Employee**

Means a person, employed by the Company, including managers, directors and trainees, whether part-time or full-time or on contract or seconded to the Company.

**The Exchange or NSE**

The Nigerian Stock Exchange.

**Key Management Personnel**

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including:

- Its Director (whether Executive or Non-Executive);
- Other Executive Committee (EXCO) members; and
- Any other person considered by the Board as Key Management Personnel on the basis that they have authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly.

**Insider**

An individual who by virtue of having been connected with the Company during the preceding six months in any of the capacities below and has obtained Material or insider information:

- A Director of the Company
- An officer of the Company
- An employee of the Company
- A person involved in a professional or business relationship with the Company
- A shareholder who own 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
- Members of the Audit Committee.

**Policy**

The Securities Trading Policy of Courteville Business Solutions Plc.

**2.0 BACKGROUND**

The Securities Trading Policy of Courteville Business Solutions Plc provides information regarding insider trading provisions in line with the recent amendment of the Listing Rules of the Nigerian Stock Exchange and the Consolidated Rules and Regulations of the Securities and Exchange Commission.

**3.0 SCOPE OF POLICY**

The scope of this Policy is applicable to the Company and its components. This policy also extends to and CBSPlc will endeavour to bring to the attention of any contractor, consultant or external adviser engaged by it and who may in the course of the engagement come in contact with insider information.

#### **4.0 INTRODUCTION**

These guidelines set out the policy on the sale and purchase of securities in Courteville Business Solutions Plc by any of its staff including Directors and Key Management Personnel.

All staff, including Directors and Key Management Personnel, are encouraged to be long-term holders of the Company's securities. However, it is important that care is taken in the timing of any purchases or sale of such securities.

The purpose of these guidelines is to assist all staff (but more particularly Directors and Key Management Personnel) to avoid conduct known as "insider trading".

Insider trading is the practice of dealing in a company's securities (i.e. shares or options) by a person with some connection with a company (for example a director, employee, contractor or consultant) who is in possession of information generally not available to the public, but which may be relevant to the value of the company's securities. It may also include the passing on of this information to another. Legally, it is an offence which carries severe penalties, including imprisonment.

#### **5.0 WHAT TYPES OF TRANSACTIONS ARE COVERED BY THIS POLICY?**

This policy applies to both the sale and purchase of any securities of the Company in issue from time to time.

#### **6.0 WHAT IS INSIDER TRADING?**

##### **6.1 Prohibition**

Insider trading is a criminal offence. It may also result in civil liability. In broad 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
- b) 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.

##### Examples

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

- a) The Company considering a major acquisition;
- b) The threat of major litigation against the Company;
- c) The Company's revenue and profit or loss 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 (e.g. new product or technology);
- f) The grant or loss of a major contract;
- g) A management or business restructuring proposal;
- h) A share issue proposal.

Please, be aware that this list is not exhaustive.

## **6.2 Dealing through third parties**

The insider trading prohibition extends to dealings by individuals through nominees, agents or other associates, such as family members, family trusts and family companies.

## **6.3 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 insider information.

## **7.0 GUIDELINES FOR TRADING IN THE COMPANY'S SECURITIES**

### **7.1 General Rule**

All staff must not, deal in securities of the Company during the following “Closed Periods”:

- a) The period from 15 days immediately preceding the announcement to the NSE of the Company's annual results; and 24 hours after the release has been made;
- b) The period from 15 days immediately preceding the announcement to the NSE of the Company's half year results; and 24 hours after the release has been made;
- c) The period from 15 days immediately preceding the announcement to the NSE of each of the Company's quarterly results; and 24 hours after the release has been made;
- d) A period of two trading days before and 24 hours after any other NSE announcement by the Company; and
- e) Such other periods as the Board may from time to time by notice in writing designate as a closed period – for example, a period commencing when the Company is considering a significant acquisition or disposal under an incomplete proposal and expiring two trading days after details of the final proposal are announced to the NSE or the proposal is abandoned.

### **7.2 Discretion of the Board**

The Board may at its discretion vary the rules in clause 7.1 in relation to a particular Closed Period by general announcement to all staff including Directors and/or Key Management Personnel either before or during the Close Period.

However, if a Director or Key Management Personnel of the Company 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.

### **7.3 No short-term trading in the Company's securities**

Directors and Key Management Personnel must never engage in short-term trading of the Company's securities.

#### **7.4 Securities in other companies**

Buying and selling securities of other companies with which the Company may be dealing is prohibited where an individual possesses information which is not generally available to the market and is “price sensitive”. For example, where an individual is aware that the Company is about to sign a major agreement with another listed company, they should not buy securities in either CBSPlc or the other company.

#### **7.5 Exceptions**

- a) Subject to clause 7.1. Directors or Key Management Personnel 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 plan, or top-up plan that is available to all holders or securities of the same class;
  - iv. Transfer securities of the Company already held into a superannuation fund or other savings scheme in which the restricted person is a beneficiary;
  - v. 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 funds or other scheme are invested at the discretion of a third party;
  - vi. 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;
  - vii. Undertake or accept a takeover offer;
  - viii. They are not in possession of inside information;
  - ix. The trading is not for short term speculative gain;
    - x. The trading is not likely to be seen by the public, press, and other shareholders to be unfair or inappropriate.
  - xi. The trading does not take place during a “closed period.” A “closed period” is the period from the end of the financial year or half year to the time of release of the annual or half year financial results.
  - xii. Trade under an offer or invitation made to all or most of the security holders, such as a rights issue, 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 rate issue;
  - xiii. Dispose of securities of the Company resulting from a secured lender exercising their rights, for example, under a margin lending arrangement;
  - xiv. Trade under non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this policy.

#### **7.6 Notification of period when all staff, directors and/or Key Management Personnel are not permitted to trade**

The Company Secretary will endeavour to personally notify all Directors or Key Management Personnel of the times when they are not permitted to buy or sell the Company’s securities as set out in clause 7.1. All other staff will be notified by the Company Secretary via notice boards or memos which are displayed at all company locations or intranet.

## **8.0 NOTIFICATION REQUIREMENTS**

### **8.1 Notification**

Any Director, Key Management Personnel or any other member of staff who (directly or through an agent or proxy) buys, sells, or exercises rights in relation to the Company's securities must notify the Company Secretary in writing of the details of the transaction within five (5) business days of the transaction occurring. This notification obligation operates at all times.

### **8.2 Sales of Securities**

Directors or Key Management Personnel in particular need to be mindful of the market perception associated with any sale of CBSPlc 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 CBSPlc's securities (i.e. a volume that would represent a volume in excess of 5% of the total securities held by the seller prior to the sale, or a volume of the shares of the Company on the Nigeria Stock Exchange for the preceding 20 trading days) by a Director or Key Management Personnel needs to be discussed with the Board and the Company's legal advisers prior to the execution of any sale. These discussions need to be documented and be retained by the Company Secretary.

## **9.0 NIGERIAN STOCK EXCHANGE NOTIFICATION FOR DIRECTORS**

The Nigeria Stock Exchange Listing Rules require Courteville Business Solutions Plc to notify the NSE immediately after any dealing in securities of the Company (either personally or through Connected Persons or Component) which results in a change in the relevant interests of a Director in the securities of the Company. CBSPlc has made arrangements with each Director to ensure that the Director promptly discloses to the Company Secretary all the information required by the NSE.

## **10.0 EFFECT OF COMPLIANCE WITH THIS POLICY**

Compliance with these guidelines of trading in the Company's securities does not absolve that individual from complying with the law, which must be the overriding consideration when trading in the Company's securities.

### **11.0 RENEWAL OF POLICY**

This Policy shall be reviewed as deemed necessary but not later than every five years.

### **12.0 AUDIT REVIEW**

Compliance with this Policy will be monitored by the Audit Committee of the Board of CBSPlc.