



**SECURITIES TRADING POLICY
FOR DIRECTORS, KEY MANAGEMENT AND STAFF**

1 BACKGROUND:

1.1 Policy Statement

The Securities Trading Policy ("the policy") of Honeywell Flour Mills Plc ("the Company") provides information regarding insider trading provisions in line with the recent amendment of the Listing Rules ("Listing Rules") of the Nigerian Stock Exchange ("the Exchange") and the Consolidated Rules and Regulations of the Securities and Exchange Commission ("SEC"). This policy sets out a required standard to measure the conduct of persons covered by the policy, in relation to securities transactions in the Company. This policy applies to both the sale and purchase of any securities of the Company.

1.2 Persons covered by the policy

This policy applies to all insiders of the Company. These are persons who, by virtue of their relationship to the Company, have access to unpublished price sensitive information. They include:

- (a) All Directors (executive and non-executive)
- (b) Executive Committee members
- (c) Other employees of the company, whether under a contract of employment or otherwise
- (d) External auditors
- (e) Any other persons who are deemed insiders according to the rules of the NSE and SEC

All staff, including Directors, 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 purchase or sale of such securities. The purpose of these guidelines is to assist the persons covered by this policy to avoid conduct known as 'insider trading'.

2 PRICE SENSITIVE INFORMATION & INSIDER TRADING

2.1 'Insider trading' as used in this policy is the practice of dealing in a company's securities (i.e. shares or options) by a person with some connection with the company (for example a director, employee, contractor or consultant) who, being in possession of unpublished price sensitive information, utilises such information to buy or sell securities for his benefit or the benefit of any person/entity. It may also include the passing on of this information to another. Legally, it is an offence which carries severe penalties, including imprisonment.

2.2 'Unpublished price sensitive information' is any information which has not been made public, relating directly or indirectly to the Company's securities and which, if it were made public, would be capable of triggering a significant price change of such securities. It includes:

- a. Changes in the Directorate of the Company;
- b. The death, resignation, dismissal or appointment of a principal officer;
- c. Changes in the accounting year end;
- d. Annual and Interim results or any recommendation or decision that dividends or scrip issues will or will not be paid;
- e. Profit warnings or a change in the financial forecast or expectation;
- f. Proposed capital raising or restructuring exercise or changes in the capital structure

- g. Giving or receiving a notice of intention to make a takeover or mergers, or acquisitions or tender offers or divestments;
- h. Any proposed change in the business model or general character or nature of the business of the company or of the group;
- i. Major new developments in the Company's sphere of activities including major new products, contract awards and expansion plans;
- j. Any change in voting control or in beneficial ownership of the securities carrying voting control;
- k. Items of an unusual or non-recurrent nature;
- l. Any proposed alteration of the Memorandum or Articles of Association;
- m. Any other information necessary to enable shareholders to appraise the position of the company and to avoid the establishment of a false market in the shares of the company.

3 PROHIBITIONS

3.1 General

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.

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

3.2 Closed periods

The period prior to declaration of price sensitive information is particularly sensitive for transactions in the Company's securities. This sensitivity is due to the fact that insiders during this period, often possess unpublished price sensitive information.

During such sensitive periods (i.e. 'closed periods'), no insider (or their associates) shall trade in the Company's securities, whether or not they are in possession of unpublished price sensitive information.

Closed periods include:

- a. Declaration of Financial results (quarterly, half-yearly and annual)

- b. Declaration of dividends (interim and final)
- c. Issue of securities by way of public offer, rights, bonus, etc.
- d. Any major expansion plans or winning of bids or execution of new projects
- e. Amalgamation, mergers, takeovers and buy-back
- f. Disposal of the whole or a substantial part of the undertaking
- g. Any changes in policies, plans or operations of the Company that are likely to materially affect the prices of its securities
- h. Disruption of operations 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.

Closed periods shall commence 15 days prior to any Board meeting where any of the above-stated issues shall be considered; and shall end 24 hours after the price sensitive information is submitted to the Exchange. The trading window shall thereafter be opened.

However, insiders and their associates shall not trade in the Company's securities during 'open' periods if they are in possession of unpublished price sensitive information at those times.

3.3 Securities in other companies

Buying and selling securities of other companies with which the Company may be dealing is prohibited where an individual possesses price sensitive information relating to such dealings. 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 or sell securities in either Company.

4 NOTIFICATION REQUIREMENTS

All insiders wishing to buy, sell or exercise rights in relation to the Company's securities must notify the Company Secretary in writing on the day on which the transaction occurs.

5 COMPLIANCE

All persons covered by this policy must treat unpublished price sensitive information with great care and ensure that such information is kept confidential. Compliance with these guidelines for trading in the Company's securities does not however absolve these individuals from complying with the law, which must be the overriding consideration when trading in the Company's securities.

Where any person covered by this policy has any legal or regulatory reasons to transfer or sell their securities during a closed period or any period when they are in possession of price sensitive information, this should immediately be communicated to the Company Secretary who will engage the Nigerian Stock Exchange accordingly.