



Sanlam Kenya Plc

Insider Trading Policy



Governance Area Addressed:	Board & Committee Governance
Approving Authorities:	Sanlam Kenya Plc Board of Directors
Responsible Functionary:	Group Company Secretary
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Frequency of Review or Update:	Annually
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Related Charters & Policies	



INSIDER TRADING POLICY

a) Introduction

The purpose of this Insider Trading Policy (the “Policy”) is to promote compliance with applicable securities laws by Nairobi Securities Exchange Limited (NSE) and all directors, officers and employees thereof, in order to preserve the reputation and integrity of Sanlam Kenya Plc (hereinafter referred to as ‘‘SKP’’) as well as that of all persons affiliated with it.

SKP depends upon the conduct and diligence of its directors, officers and employees, in both their professional and personal capacities, to ensure full compliance with this Policy. This Policy provides procedures and guidelines with respect to transactions in the SKP’s securities, the protection of Insider Information and the standard of conduct expected of SKP’s directors, officers and employees in this highly sensitive area. It calls for personal obligation and responsibility of each director, officer or employee to act in a manner consistent with this Policy.

The Insider Trading Policy is guided by Section 32A – 33 of Part VI of the Capital Markets Act (Cap 485A) which prohibits insider trading and applies to all listed securities, their derivative and derivatives traded on any market regulated by the Capital Markets Authority. All officers of SKP, all members of SKP's Board of Directors, and all employees of SKP are expected to comply with the provisions of the Capital Markets Act, particularly those relating to Insider Trading and other Market Abuses.

b) Applicability of the Policy

This Policy applies to all transactions in SKP’s securities, including their derivatives and any other securities SKP may issue from time to time, such as ordinary shares, warrants and convertible debentures, as well as to derivative securities relating to SKP, whether or not issued by SKP, such as exchange-traded options.

It applies to all officers SKP, all members of SKP’s Board of Directors, and all employees of, and consultants and contractors to, the Company who receive or have access to Insider Information regarding SKP. This group of people, members of their immediate families, and members of their households are referred to in this Policy as "Insiders."

This Policy also applies to any person who receives Insider Information from any Insider. Any person in possession of Insider Information regarding SKP is an Insider for so long as the information is not publicly known.



c) Definitions/ Explanations of Terms

i) *Insider Trading*

This refers to transactions in the Company's listed securities, and or their derivatives by the corporate insiders or their associates based on information originating within the Company that would, once publicly disclosed, materially affect the prices of such securities.

ii) *An Insider*

Any person in possession of Insider Information is considered an insider as to that information. Insiders include SKP's directors, officers, employees, independent contractors and those persons in a special relationship with SKP, e.g., large shareholders, auditors, accountants, consultants or attorneys. The definition of insider is transaction specific; that is, an individual is an insider with respect to each Non-public item of which he is aware.

iii) *Insider Information*

Insider information means information which:-

- a) relates to particular securities or to a particular issuer of securities;
- b) has not been made public; and
- c) if it were made public, is likely to have a material effect on the price of the securities.

Some examples of information that may have a material effect on the price of the securities include:-

- ✓ Unpublished financial results;
- ✓ Projections that significantly differ from external expectations;
- ✓ Major proposed or pending acquisitions, investments or divestitures;
- ✓ Significant project or product developments;
- ✓ Changes in key personnel;
- ✓ Changes in dividend policy;
- ✓ Stock splits;
- ✓ New equity or debt offerings;
- ✓ Positive or negative developments in outstanding significant litigation;
- ✓ Events that may result in the creation of a significant reserve or write-off or other significant adjustments to the financial statements;
- ✓ Actual or threatened significant litigation or inquiry by a governmental or regulatory authority; and
- ✓ Any other facts which might cause the Company's financial results to be substantially affected.

The above list is only illustrative; many other types of information may be considered "material," depending on the circumstances. The materiality of particular information is subject to reassessment on a regular basis.

iv) *Public Information*

1) Information is made public if:-

- a) It is published in accordance with the rules of the securities exchange for the purpose of informing investors and their professional advisers;



- b) It is contained in records which by virtue of any law are open to inspection by the public;
- c) It can readily be acquired by those likely to deal in any securities:-
 - (i) to which the information relates; or
 - (ii) of an issuer to which the information relates; or
- d) It is derived from information which has been made public.

2) Information may be treated as having been made public even though the information:-

- a) Can be acquired by persons exercising diligence or expertise;
- b) Is communicated to a section of the public;
- c) Can be acquired by observation;
- d) Is communicated on the payment of a fee; or
- e) Is published outside Kenya.

v) **Related Person**

For the purposes of this Policy, a Related Person includes your spouse, children and anyone else living in your household; partnerships in which you are a general partner; trusts of which you are a trustee; estates of which you are an executor; and other equivalent legal entities that you control. Although a person's parent or sibling may not be considered a Related Person (unless living in the same household).

vi) *In this Policy, if not inconsistent with the subject or context, words signifying the masculine gender only shall include the feminine gender.*

d) **Statements of the Policy**

i) **General Policy**

It is the Policy of SKP to oppose the unauthorized disclosure of any Insider Information acquired in the work place and the misuse of Insider Information in securities dealing.

ii) **Specific Policies**

A. **Policies Regarding Transactions in the Company's Securities**

1. A person who deals in listed securities or their derivatives that are price-affected in relation to the information in his possession commits **an offence** of insider trading under provisions of section 32B of the Capital Markets Act, Laws of Kenya, if that person:-
 - a) Encourages another person, whether or not that other person knows it, to deal in securities or their derivatives which are price-affected securities in relation to the information in the possession of the insider, knowing or having reasonable cause to believe that the trading would take place; or
 - b) Discloses the information, otherwise than in the proper performance of the functions of his employment, office or profession, to another person.
2. For the purposes of subsections (1) (a) and (b), a person deals in securities or their derivatives if, whether as principal or agent, sells, purchases, exchanges or subscribes for any listed securities or their derivatives.



3. No officer or employee of SKP shall purchase or sell the shares of SKP from the last date of the closure of the half year, end of the financial year or within a period of one month of any material event that may affect the price of the securities of SKP until after official communication is made to the public.

B. Policies Regarding the Use, Disclosure and Protection of Material Non-public Information

All directors, officers and employees of SKP have ethical and legal responsibilities to maintain the confidentiality of Insider Information.

1. Use and Disclosure of Insider Information

As explained previously, under no circumstances shall a director, officer or employee of SKP use Insider Information about SKP for his personal benefit. Moreover, except as specifically authorized or in the performance of regular corporate duties, under no circumstances shall a director, officer or employee release to others information that might affect SKP's securities. Therefore, it is important that a director, officer or employee not disclose Insider Information to anyone, including other employees of SKP, unless the other employee needs such information in order for him to perform his designated duties. Under no other circumstances should such information be disclosed to anyone, including family, relatives or business or social acquaintances. In maintaining the confidentiality of the information, the individual in possession of such information shall not affirm or deny statements made by others, either directly or through electronic means, if such affirmation or denial would result in the disclosure of Insider Information.

If a director, officer or employee has any doubt about whether certain information is non-public or material; such doubt should be resolved in favour of not communicating such information or trading without discussing it with the assigned compliance personnel. Questions concerning what are or are not Insider Information should be directed to the Group Company Secretary.

2. Material Non-Public Information Regarding Other Companies

In the ordinary course of doing business, directors, officers or employees may come into possession of Material Non-public Information with respect to other companies. An individual receiving Material Non-public Information in such a manner has the same duty not to disclose the information to others or to use that information in connection with securities transactions of such other company as such individual has with respect to Insider Information about the Company.

If SKP is in the process of negotiating a significant transaction with another company, directors, officers and employees are cautioned not to trade in the securities of that company if they are in possession of Material Non-public Information concerning such company. If a director, officer or employee is not certain whether it is permissible to trade in the securities of such company; he should contact the Company's Group Company Secretary before making any trades.

3. Unauthorized Disclosure of Internal Information

Unauthorized disclosure of internal information about SKP may create serious problems for SKP whether or not the information is used to facilitate improper trading in securities of SKP. Therefore, it shall be the duty of each



person employed or affiliated with SKP to maintain the confidentiality of information relating to SKP or obtained through a relationship of confidence. SKP personnel should not discuss internal SKP matters or developments with anyone outside the SKP, except in the performance of regular corporate duties.

4. Precautions to Prevent Misuse or Unauthorized Disclosure of Sensitive Information

When a director, officer or employee is involved in a matter or transaction which is sensitive and, if disclosed, could reasonably be expected to have an effect on the market price of the securities of SKP or any other company involved in the transaction, that individual should consider taking extraordinary precautions to prevent misuse or unauthorized disclosure of such information. Such measures should include the following:-

- ❖ Maintaining files securely and avoid storing information on computer systems that can be accessed by other individuals;
- ❖ Avoiding the discussion of confidential matters in areas where the conversation could possibly be overheard;
- ❖ No gossiping about SKP affairs; and
- ❖ Restricting the copying and distribution of sensitive documents within SKP.

5. Internet

Any written or verbal statement that would be prohibited under the law or under this Policy is equally prohibited if made on the Internet or by social media.

6. Inadvertent Disclosure of Material, Non-Public Information

If Insider Information regarding SKP is inadvertently disclosed, no matter what the circumstances, by any director, officer or employee of SKP, the person making or discovering that disclosure should immediately report the facts to the Group Company Secretary.

7. Inquiries Regarding Material Non-public Information

When an inquiry is received regarding information that may be material, it should be referred, without comment, to the Group Company Secretary.

e) Penalty for Insider Trading

Pursuant to the provisions of Section 32E of the Capital Markets Act (Cap 485A), Laws of Kenya, a person who commits an offence indicated under section 32B of the Capital Markets Act (section (d) 2 (a) (1) in this policy) is liable on conviction:-

- a) on a first offence, in the case of-
 - i) an individual, to a fine not exceeding Kshs 2.5 Million or to imprisonment for a term of two years and payment of the amount of the gain made or loss avoided; and
 - ii) a company, to a fine of up to Kshs 5 Million and payment of the amount of the gain made or loss avoided.
- b) on any subsequent offence, in the case of-



- i) an individual, to a fine not exceeding Kshs 5 Million or to an imprisonment for seven (7) years and payment of twice the amount of the gain made or loss avoided; and
- ii) a company, to a fine not exceeding Kshs 10 Million and payment of twice the amount of the gain made or loss avoided.

Pursuant to the provisions of Section 32K of the Capital Markets Act (Cap 485A), a person who is convicted of an offence under Insider Trading, Part VI of the Act shall, in addition to the penalty imposed for committing the offence, be liable to an action by a person who has sustained pecuniary loss as a result of having purchased or sold securities at a price affected by the act or transaction which comprises or is the subject of the offence, to an action for damages in respect of the loss concerned. However, the aforesaid shall not be construed to limit or diminish any civil liability which any person may incur under any other Act or Law.

f) SKP Disciplinary Action

With a reasonable basis to conclude that you have failed to comply with this Policy, SKP shall subject you to disciplinary actions, up to and including dismissal for cause, regardless of whether or not your failure to comply with this Policy results in violation of law. It shall not be necessary for the Company to wait for the filing or conclusion of any civil or criminal action against the alleged violator before taking disciplinary action.

g) Reporting of Violation

Every director, officer and employee of SKP has a duty to safeguard the confidentiality of all unpublished price sensitive information obtained in the course of their work in the Company. SKP is committed to transparency and fairness in dealing with all stakeholders and no director, officer, employee, independent contractor and those persons in a special relationship with SKP should use his/her position or knowledge of SKP to gain personal benefit or to provide benefit to any third party.

Any person who believes that a violation of this Policy has taken place shall report such violation promptly to the Group Company Secretary.

h) Amendments to the Policy

SKP is committed to a continuous review and update of the Insider Trading Policy. SKP therefore, reserves the right to amend, alter or terminate this Policy at any time and for any reason, subject to applicable laws.

i) Action Required

Directors, officers and employees of SKP shall not be allowed to trade, sell or purchase the Company’s securities from the last date of the half year (that is, 30 June) and the last date of the end year (that is, 31 December) and during the period of any material information till when the relevant communication would have been formally announced to the public.

NOTE: After reading this Policy, please sign the receipt and acknowledgment at the next page and return it to the Group Company Secretary. If you have any questions about the Policy or Insider Trading laws in general or about any transaction involving the securities of SKP please contact the Group Company Secretary.

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