



Seplat Petroleum Development Company Plc

Inside Information Policy

Adopted by the Board on 29th January 2016

1. INTRODUCTION AND PURPOSE

- 1.1 As a quoted Company in the Nigerian and London stock exchanges, SEPLAT must comply with the securities regulations in both Nigeria and UK.
- 1.2 The prohibition of Insider Trading and Tipping is deeply enshrined in the various provisions of Nigerian and UK securities regulations, and is closely monitored and prosecuted by the regulators.
- 1.3 SEPLAT has adopted this Inside Information Policy ("Policy") to outline certain legal concepts and implement certain rules with respect to the proper use and disclosure of undisclosed price-sensitive information pertaining to Seplat Securities.

2. APPLICATION

- 2.1 This Policy applies to Insiders and their Connected Persons.

3. RESPONSIBILITY

- 3.1. The Board shall be responsible for ensuring that this Policy: (i) is updated as required to remain in compliance with applicable laws in force, and (ii) is implemented and strictly enforced to demonstrate SEPLAT's visible commitment to compliance with the law.
- 3.2. The General Counsel shall be responsible for the day-to-day implementation and enforcement of this Policy, including the conduct of training, compliance programs, and the interpretation of this Policy.
- 3.3. Directors and Employees shall be responsible for reading this Policy carefully, understanding and complying fully with this Policy – in letter and in spirit.
- 3.4. All Insiders shall be responsible for ensuring that their Connected Persons are aware of, and comply with, this Policy.

4. DEFINITIONS

For purposes of this Policy, the following definitions of key terms shall apply:

- 4.1 "Board" means the Board of Directors of Seplat Petroleum Development Company Plc.
- 4.2 "Connected Persons" means persons connected to an Insider, including without limitation:
 - (a) spouse or civil partner;
 - (b) children (including step-children) under 18 years of age;
 - (c) relative who, at the relevant date, occupied the same household as the Insider for at least 12 months;
 - (d) agent or nominee, including an investment manager managing funds on behalf of the Insider;
 - (e) a trust of which the Insider or any person connected to him/her (or any member of their family or any associated company) is the trustee or beneficiary (other than a trust for the purposes of an employee share scheme or a pension scheme);
 - (f) a person in partnership with the Insider or any person connected to him/her;

- (g) a legal entity in which the Insider or his/her connected person is a partner, or where a partner is a firm in which the Insider or his/her connected person is a partner;
- (h) a company which the Insider or his/her connected person or either of their family member controls;
- (i) a company in which the Insider or his/her connected person is a director or senior executive who has the power to make management decisions affecting the future development and business prospects of that company; or
- (j) a company in which the Insider or his/her connected person controls, or can exercise, more than 5% of the voting power or are interested in at least 5% (in nominal value) of the issued shares (excluding treasury shares).

4.3 “Director” means a member of the Board.

4.4 “Employee” for purposes of simplicity only, means persons employed by SEPLAT or its affiliates and non-employees such as: contracted, seconded and temporary agency staff, agents and consultants engaged by SEPLAT or its affiliates.

4.5 “General Counsel” means the General Counsel of SEPLAT.

4.6 “Inside Information” means any information which relates directly or indirectly to SEPLAT or Seplat Securities that is not generally available and if generally available would be likely to have a significant effect on the price of any Seplat Securities or related investments. Examples of information likely to be Inside Information include without limitation:

- (a) Significant changes in oil and gas reserves and resources;
- (b) Annual, interim or quarterly financial results;
- (c) Profit warnings;
- (d) Changes in SEPLAT’s expectations of performance;
- (e) Share dealings by Directors;
- (f) Significant changes in management;
- (g) Appointments to, and departures from, the Board;
- (h) Significant shifts in operating or financial circumstances, such as major write-offs and changes in earnings projections;
- (i) Significant actual or potential litigation;
- (j) Borrowing of a significant amount of funds;
- (k) Acquisitions of, or mergers with, other companies;
- (l) Significant new contracts or loss of business;
- (m) Major labour disputes or disputes with major contractors or suppliers;
- (n) Share splits;
- (o) Dividend announcements;
- (p) Share issuances or repurchases; or
- (q) Changes in information previously disclosed to the market.

The above list of Inside Information is not intended to be exhaustive. Other information may also constitute Inside Information. Please see Section 6.2 for the “reasonable investor test”.

4.7 “Insider” means all persons as may be determined from time to time by Nigerian and UK securities legislation who are aware of or are in possession of Inside Information, including the following persons (irrespective of the size of his or her holding or interest):

- (a) Directors and directors of a SEPLAT affiliate as defined in applicable securities laws (and any person who acts as a director whether or not officially appointed);
- (b) “Senior officers” (as defined in applicable securities laws) of SEPLAT and its subsidiaries;
- (c) Employees;
- (d) consultants, agents and advisers of SEPLAT and its subsidiaries and other persons who, because of their employment in, or contract with, SEPLAT, may have possession of or access to Inside Information;
- (e) Shareholder who holds 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;
- (f) Members of the Audit Committee; and
- (g) Any other person designated as an Insider by the General Counsel from time to time.

4.8 “Insider Trading” means when an Insider and/or his or her Connected Persons: (a) deals in Seplat Securities while in possession of Inside Information; or (b) gives Inside Information to a third party to deal in Seplat Securities.

4.9 “Seplat Securities” mean the shares, stock units of a unit trust or other securities of SEPLAT.

4.10 “Tipping” means giving Inside Information to another person that is not in the necessary course of business.

5. RELATED POLICIES

5.1 This Policy should be read together with the Share Dealing Policy and Communications Policy.

6. CLASSIFICATION OF INSIDE INFORMATION

6.1 The Board has overall responsibility for the identification, control and dissemination of Inside Information. The Board, however, may delegate this responsibility to a smaller number of Directors as it deems fit.

6.2 In classifying Inside Information, the Board (or its delegate) will apply a consistent procedure and may apply the “reasonable investor test” to decide whether the information in question would be likely to be used by a reasonable investor as part of the basis for his investment decisions and whether the information would therefore be likely to significantly affect the price of Seplat Securities.

7. DISCLOSURE OF INSIDE INFORMATION

7.1 Insider Trading and Tipping are violations of securities laws and are strictly prohibited.

7.2 No Tipping. Inside Information is, at all times, to be kept strictly confidential and not disclosed to any unauthorized person until it has been generally announced to the public in the prescribed manner. Inside Information is not considered to have been generally announced to public until at least two (2) trading days have elapsed after disclosure is made to the regulators. Insiders must not pass on Inside Information to others except as strictly necessary in the normal course of their business for SEPLAT and then only in circumstances where the recipient has agreed to keep the Inside Information confidential. It is an offence to encourage Insider Trading and to disclose Inside Information with a view to others profiting from it.

7.3 Inside Information shall not be disclosed to anyone via press release, website, brochure, video, telephone calls or at presentations made to or dealings with the press, analysts, intermediaries or to institutions or other potential investors or professionals, unless permitted under Section 7 of this Policy.

7.4 Disclosure of Inside Information is only permitted when approved by the Board (or by those Directors to whom responsibility for the approval of disclosures has been delegated pursuant to Section 6.1), and made in a timely manner to the capital market through simultaneous release to the Nigerian Stock Exchange (“NSE”) in Nigeria and the Regulatory News Service (“RNS”) in UK in accordance with all applicable laws, rules and regulations. SEPLAT should also publish the Inside Information on its website by the end of the business day following the release to regulators.

- 7.5 SEPLAT should not publicly release Inside Information without prior release to the regulators. For instance, if SEPLAT plans to announce Inside Information at a shareholders' meeting, SEPLAT must ensure that disclosure of such information is made to the NSE and RNS either simultaneously or before the announcement is made at the meeting.
- 7.6 Although securities regulations require SEPLAT to disclose Inside Information as soon as possible, SEPLAT may delay disclosure where it has legitimate interests (for example, negotiating an acquisition or disposal) to protect and:
- (a) the omission is not likely to mislead the public;
 - (b) any person receiving the information owes SEPLAT a duty of confidentiality; and
 - (c) SEPLAT is able to safeguard the confidentiality of the information.
- 7.7 Where SEPLAT is permitted to delay disclosure of Inside Information, it may selectively disclose such information to persons who owe a duty of confidentiality to SEPLAT and who require the information to carry out duties for SEPLAT (for example, SEPLAT's advisers involved in the matter in question or major shareholders). However, SEPLAT must first determine that such selective disclosure is justified in the circumstances and there are appropriate controls to prevent a leak.

8. SECURITIES OF OTHER COMPANIES

- 8.1 In the course of SEPLAT's business, Insiders may obtain price-sensitive information about another publicly traded company that has not been disclosed to the capital market.
- 8.2 Securities regulations prohibit Insiders from trading in securities of that other company or communicating such company's undisclosed price-sensitive information while in possession of the information.
- 8.3 The restrictions set out in this Policy pertaining to Insider Trading and Tipping also apply to trading in the securities of another company while in possession of such company's undisclosed price-sensitive information.

9. INSIDER LIST AND INTERNAL CONTROLS

- 9.1 The General Counsel shall create and maintain an updated list of all Insiders (the "Insider List") stating:
- (a) the identity of each person with access to Inside Information;
 - (b) the reason why such person is on the Insider List; and
 - (c) the date on which the Insider List was created and updated.
- 9.2 All external parties (for example, SEPLAT's consultants, advisers, etc) who are Insiders must be required to maintain a list of all persons working for them who have access to Inside Information, whether on a regular or occasional basis.
- 9.3 The General Counsel shall distribute a copy of this Policy, and any updates of this Policy, to all Insiders to ensure their awareness and compliance.
- 9.4 Insiders shall be required to sign and submit to the General Counsel a written acknowledgment of the legal and regulatory duties pertaining to the receipt, use and circulation of Inside Information and the sanctions for any misuse or improper circulation.
- 9.5 SEPLAT shall employ effective control measures to safeguard the confidentiality of Inside Information and prevent any leaks. In doing so, SEPLAT may adopt distinctive closed access and password requirements in IT systems storing Inside Information.
- 9.6 The General Counsel shall be notified of any project involving the use or circulation of Inside Information. Upon notification, the General Counsel shall create and maintain a project specific Insider List and circulate a confidentiality undertaking in respect of the Inside Information to be signed by each member of the project team.

10. EXCEPTIONS TO THIS POLICY

10.1 Any exception to this Policy must be approved in advance by the Board.

11. VIOLATION

11.1 Failure to comply with this Policy, or report suspected violation of this Policy, is a serious misconduct, which may lead to disciplinary action by SEPLAT, including and up to termination of directorship, employment, or contract.

11.2 Violation of this Policy may also constitute a breach of securities laws that is punishable by financial penalties and/or imprisonment, and SEPLAT may refer any such violation to the appropriate regulatory authority.

11.3 All Insiders shall be accountable to SEPLAT for any violation of this Policy by their Connected Persons.

11.4 Any suspected violation of this Policy may be reported through the appropriate channel set out below:

- ✚ the Chairman of the Board or the Senior Independent Non-Executive Director (in the case of Directors),
- ✚ the General Counsel,
- ✚ the Head of the Business Integrity Department, or
- ✚ the Whistleblowing Hotline via +234 800 444 1234 or SpeakUp@seplatpetroleum.com). Please be assured that all reports to the Whistleblowing Hotline will be treated in strict confidence.

12. AMENDMENTS

12.1 This Policy may be amended from time to time by the Board.

13. INQUIRIES

13.1 If an Insider or his/her Connected Person has any question concerning any of the matters discussed in this Policy, in particular as to whether a proposed action will be within the scope of “trading” as used within this Policy, he or she should not hesitate to ask for advice and should not act until he or she has received an answer. Requests for advice should be directed to the General Counsel.

13.2 Please sign and return the Acknowledgment of Receipt of SEPLAT’s Inside Information Policy set out in Appendix 1.

13.3 The foregoing has been drawn up with a view to making you aware of, but does not precisely reproduce, actual legal requirements under the laws of the Federal Republic of Nigeria, the United Kingdom or any other relevant jurisdictions which are more complex. While no single rule could possibly cover all situations, a good rule to follow at all times is:

CAREFULLY AVOID ANY TRADING OR DISCLOSURE (TIPPING) WHICH MIGHT BE, OR APPEAR TO BE, UNFAIR TO INVESTORS AND THE PUBLIC. WHEN IN DOUBT AS TO WHETHER A TRADE MIGHT CONTRAVENE THIS POLICY, THE NIGERIAN AND LONDON STOCK EXCHANGES RULES, SEPLAT SHOULD ALWAYS SEEK ADVICE FROM ITS GENERAL COUNSEL.