AVA Capital Plc is registered and regulated by the Securities and Exchange Commission, Nigeria.

COMPLIANCE MANUAL AND CODE OF CONDUCT

Policy Authors:	Compliance Department
Approval Authority	Board of Directors of AVA Capital Plc
Review Frequency	Annually or as needed

PREAMBLE

AVA Capital Plc and all its subsidiaries' (AVA Global Asset Managers Limited, AVA Securities Limited, and AVA Trustees, altogether hereinafter referred to as "the Group") are committed to conducting business in full compliance with all applicable laws, regulations, and regulatory requirements governing their operations. The Group places particular emphasis on compliance with Anti-Money Laundering, Countering the Financing of Terrorism, and Counter-Proliferation Financing (AML/CFT/CPF) laws and regulations, as well as maintaining the highest standards of integrity, ethical conduct, fair dealing, and sound market practices in all business activities.

This Compliance Manual ("Manual") establishes the framework, policies, processes, and procedures for ensuring compliance with applicable legal and regulatory requirements. It provides guidance on the identification, management, monitoring, and reporting of compliance obligations and outlines procedures for addressing instances of non-compliance or regulatory concerns. The Manual further defines the roles and responsibilities of directors, management, employees, and other relevant stakeholders in fostering and maintaining a strong compliance culture across the Group.

The Manual serves as a practical guide for both new and existing employees, promoting consistency in compliance practices and supporting the effective execution of the Compliance Function. It is designed to enhance operational efficiency, strengthen internal controls, and ensure that compliance activities are aligned with the strategic objectives and risk management framework of the Group.

All employees and relevant stakeholders are required to comply with the provisions of this Manual, except where compliance would conflict with applicable local laws or regulatory requirements. Any amendment to this Manual shall be subject to Management approval, except where changes are necessitated by amendments to existing laws and regulations or the introduction of new legal or regulatory requirements affecting the Group's operations. The Group Chief Compliance Officer shall be responsible for monitoring regulatory developments and recommending revisions to the Manual whenever necessary.
Where guidance on a particular compliance matter is not expressly provided in this Manual, employees shall seek direction from the Group Chief Compliance Officer. This requirement is particularly important where there is uncertainty regarding the legality, propriety, regulatory implications, or advisability of a proposed course of action, transaction, or business activity involving the Group.
This Manual should be read in conjunction with other policy documents of the company.

DEFINITION OF TERMS

In this Manual, unless the context otherwise requires:

"**ADR**" means Alternative Dispute Resolution

"**AML**" means Anti-Money Laundering

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“**AO**” means Account Officers
“**CAC**” means Corporate Affairs Commission
“**CAMA**” means Companies and Allied Matters Act, 2020
“**CDD**” means Customer Due Diligence
“**CFT**” means Combating the Financing of Terrorism
“**CO**” means Compliance Officer
“**EDD**” means Enhanced Due Diligence
“**FATF**” means Financial Action Task Force
“**Group**” means AVA Capital Plc and its subsidiaries
“**KYC**” means Know Your Customer
“**Other Exchanges**” means any Stock Exchange approved and regulated by SEC and includes NASD, FMDQ
“**PEP**” means Politically Exposed Persons
“**SEC**” means the Securities and Exchange Commission

WHO WE ARE - OUR OBJECTIVES

The Group is committed to full compliance with all laws and regulations applicable to the business while placing great emphasis on AML/CFT guidelines and requirements. The Compliance unit’s sole objective is ensuring that the commitment of the company is brought to life by ensuring compliance with both internal and external policies that guide the business. The unit’s objectives include:

- To instill a compliance culture across every member of the staff and ensure that adequate levels of transparency, compliance and ethics are maintained at all levels and times.
- To promote an awareness and understanding of the Money Laundering requirements as consistent with relevant laws and regulations as well as the company’s policies.
- To provide timely support and general advice to members of the staff on regulatory matters.
- To liaise with the SEC, and other regulators on regulatory issues, seeking clarification of ambiguous directives which may have been issued as they relate to the Group’s businesses.
- To manage the Group’s relationship with its Regulators.
- To keep proper records of all documents filed with the Group’s Regulators with respect to approval sought and other matter related to Board decisions, corporate affairs and to ensure that all documents are filed within time in order to avoid penalties.

1. APPLICABLE REGULATIONS

The business is regulated by a body of rules which includes the following:

1. Investment & Securities Act 2025

2. Rules and Regulations of the Securities and Exchange Commission

3. Money Laundering Prohibition Act

4. AML/CFT Reporting Regulations

5. EFCC (Establishment) Act

6. Nigeria Tax Act 2025

7. Pension Reform (Amendment) Act

8. Financial Reporting Council of Nigeria Act

9. Employees Compensation Act

10. Terrorism (Prevention and Prohibition) Act

11. Terrorism Prevention (Freezing of International Terrorist Funds and Other Related Measures) Regulations 2011

12. Companies and Allied Matters Act 2020

13. SEC Code of Corporate Governance for Public Companies in Nigeria

14. Other SEC guidelines

15. All relevant CBN guidelines

16. Industrial Training Fund Act 2004

17. Other applicable regulations to our business

2. ROLE AND RESPONSIBILITIES

Promoting a compliance culture within the company is a general responsibility and shouldnot be restricted to the Compliance unit solely. Compliance roles can be said to be assigned to the following offices as follows:

Board of Directors: to assume overall responsibility for compliance within the Group.

- SEC: the Commission holds ultimate responsibility for the overall level of compliance in its market. In view of this, the Compliance Officer are compelled to immediately and independently report to the Commission any non-compliance observed by him/her.
- Managing Directors: assumes overall accountability for compliance in their respective subsidiaries.
- Unit heads: responsible for the day-to-day compliance with statutes and regulations governing their businesses.
- Employees: responsible for familiarizing themselves with the Group's compliance policy and regulatory requirements applicable to their business units. They are also to ensure that all transactions and activities in which they are involved are executed in accordance with the applicable Rules and Regulations.

- Internal Audit, Internal Control and Risk Management: assist the Compliance unit by conducting independent checks, risk assessment, monitoring and audits, provide quality assurance to the unit and is also responsible for the development, communication,leadership and implementation of the compliance structures and processes.

The Compliance unit interacts with every other unit in the Group but it is particularly intertwined with the legal unit as the work of the two units can be inter-related. The process flow for the compliance unit is fluid and it is usually initiated from the requesting unit with the constant emergence of new laws and policies, the legal department is responsible for advising on the applicable Laws and provides guidance on legal requirements while the Compliance unit monitors and ensures that the stated requirements are adhered to so as to achieve the desired results.

3. PROCESSESS AND PROCEDURE

The compliance processes and procedures (especially account opening and on-boarding)in the different subsidiaries are streamlined to suit all the businesses despite the different nature of their businesses and the statutory requirements for each business. This is designed to enable every client benefit from our services in all aspects of the businesses in one swoop.
In short, we are a financial services one-stop shop. Our processes are out- lined below:

a. Account Opening Approvals: subsequent to the filling of an account opening package by a potential client, complianceis required to give some approvals before the final opening of the account and the commencement of trading on the account. The process for approval is outlined below:
b. The Account Officer (“RM”) sends request to client for account opening documentation;
c. RM reviews documents, and sends the documents to the Operations Unit for vetting;
d. Operations vet the documents and where complete and accurate, opens a file and sendsthe file to the compliance unit for verification and approval;
e. The Compliance Officer conducts customer due diligence on the client and checks to seeif all the requirements have been fulfilled and all the necessary KYC documents have beenprovided;
f. Where necessary, the Compliance Officer will conduct enhanced due diligence and request for additional documentation from the client;
g. Once all the documents received are in order, the Compliance Officer approves the account to be opened by signing and affixing its stamp on the account opening form. The approval is communicated to the Operations unit;
h. The RM then conducts an address verification on the client's proof of residence or business and completes an address verification form to be put in the client’s file.

4. KNOW YOUR CUSTOMER (KYC) DOCUMENTATION

It is important to emphasize the importance of KYC in the account opening process for the business. The existence of KYC documentation evidences diligence in knowing our clients and the source of the funds which flows through our business. Find below the list of KYC documents required from the clients:

INDIVIDUAL CLIENTS (NATURAL PERSONS)

a. Duly Completed account opening form

b. 2 recent Passport Photographs with the client's name, signature and date behind the photographs

c. A copy of an acceptable means of identification (National driver's license, Permanent Voter's Card, Passport Bio-Data Page or National identity card

d. A copy of a recent utility bill (not more than 3 months old) - E.g. Electricity bill, Water bill, Waste bill, House rent receipt, Land Use Charge, or bank account statement showing the name and address filled on the Account Opening Form

e. Passport photographs for beneficiaries (if applicable)

(For Minors) Additional Requirements

a. Birth Certificate
b. Means of Identification and passport photograph of Guardian/Signatory
c. Guardian/Signatory Undertaking

For Non-Citizens (Additional Requirement)

a. Residence Permit

ENTERPRISE (PARTNERSHIP/SOLE PROPRIETORSHIP) ACCOUNT

a. Duly completed account opening Form
b. A copy of a current acceptable means of identification (National driver's license, Voter's Card, Passport Bio-Data Page, Tax Clearance Certificate or National identity card) of the Signatory(ies).
c. A copy of a recent utility bill (not more than 3 months old) E.g Electricity bill, Water bill, Waste bill, House rent receipt, Land Use Charge or bank account statement showing the name and address filled on the Account Opening Form
d. Certificate of Registration of the partnership/sole proprietorship
e. Partnership deed (If available)

CORPORATE ACCOUNT

a. Duly completed Account Opening Form
b. Board Resolution authorizing account opening
c. Acceptable Means of Identification (Valid driver's license/International passport, national ID, Tax Clearance Certificate, Permanent Voters card) of all Directors and Signatories.
d. A copy of a recent utility bill (not more than 3 months old) - E.g., Electricity bill, Water bill, Waste bill, House rent receipt, Land Use Charge or bank ac- count statement showing the name and address of the company filled on the Account Opening Form
e. Copy of Utility bill of the Signatories
f. Certified True Copy or a copy of the Memorandum and Articles of Association
g. Certified True Copy or a copy of the Certificate of Incorporation
h. Certified True Copy or a copy of Form CAC 2 (Statement of Authorized Share Capital and Return of Allotment of Shares)
i. Certified True Copy or a copy of Form CAC 7 (Particulars of Directors).

PUBLIC SECTOR (FEDERAL & STATE GOVERNMENT PARASTATALS, LOCAL

GOVERNMENT

a. Duly completed Original Account Opening Form.

b. Duly signed original Resolution of the Executive Council/Governing Body authorizing account opening and naming the authorized signatories or a duly signed original Letter of Authorization on the letter head paper of the entity authorizing account opening and naming the authorized signatories.

c. A letter from the Account-General of the State or Federation (as applicable) authorizing the account opening.

d. Acceptable means of Identification (valid driver's license, international passport, national ID, Tax Clearance Certificate, Voter's Card) of Authorized Representatives.

e. Email Indemnity signed by at least one Authorized Representative. 2 recent passport photographs of each Authorized Representative.

f. A copy of a recent utility bill (not more than 3 months old) - E.g., Electricity bill, Water bill, Waste bill, House rent receipt, Land Use Charge or bank ac- count statement showing the name and address of the company filled on the Account Opening Form.

NOT FOR PROFIT (SCHOOLS, CHURCHES, FOUNDATIONS, TRUSTS)

a. A resolution of the trustees or other governing body authorizing account opening

b. Acceptable Means of Identification (Valid driver's license/International passport, national ID, Tax Clearance Certificate, Permanent Voter's card) of all trustees and Signatories

c. Two recent passport photographs of all trustees and Signatories with their names, signatures and date behind the photographs

d. Copy of utility bill (PHCN Bill, Water Corporation Bill, Waste Bill etc.) of not more than 3(Three) months showing the address of the organization.

e. Copy of Utility bill of the trustees and signatories

f. Certified True Copy of the incorporation or other corporate documents

g. A copy of the Trust Deed or other constitutional document of the organization

POLITICALLY EXPOSED PERSONS

a. All documents required for natural persons above, plus

b. Evidence of source of funds

c. Specific approval of the Managing Director

The Compliance Officer may request for proof of source of funds for any category of Client

5. REPORTING REQUIREMENTS

DAILY REPORT

Foreign Transaction Report

The Compliance Officer for each subsidiary files a daily report of the entity's foreign transactions above the statutory threshold on the NFIU portal. Foreign currency transactions of $10,000 above are sent to the SEC at amlcftreturns@sec.gov.ng on a daily basis. Where there are no Foreign Transaction Report, "Nil" reports must be submitted to the NFIU portal on a daily basis.

Ava Gam Mutual Fund Prices Report

The Compliance Officer for Ava Global Asset Managers Limited files daily price report of the entity's funds to the Fund Managers Association of Nigeria (FMAN) at dailyfundprices@gmail.com

WEEKLY REPORT

Currency Transaction Report

The Compliance Officer for the entity generates a weekly report of the entity's currency transactions and foreign transactions above the statutory threshold. For currency transactions, any inflow or outflow of N5m for individuals and N10m for corporate entities are reported to the NFIU by the Compliance Officer on a weekly basis via nfiucompliance@efccnigeria.org. Foreign currency transactions of $10,000 for corporate clients and $5,000 above for individual clients are sent to the SEC at amlcftreturns@sec.gov.ng on a weekly basis and STR transactions.

NFIU Nil Report

Where there are no suspicious transactions, Suspicious Activity, Foreign Transaction Report or Currency Transactions Report, "Nil" reports must be submitted to the NFIU portal on a weekly basis. Upon receipt of the acknowledgement email from NFIU (if any), the Compliance Officer prints a copy of the email and files it in the NFIU returns file.

Net Liquid Capital Report

The Finance team prepares the weekly Net Liquid Capital report and the Head of the Finance team approves the report and sends to the Compliance team. The Compliance Officer receives the weekly Net Liquid Capital report and sends the report to the Nigerian Exchange Limited (NGX) through bdr@ngxgroup.com.

MONTHLY REPORTS

PEP Returns

Under the provisions of the SEC (Capital Markets Operators Anti-Money Laundering and combating the financing of Terrorism) Regulations 2013, Capital Market Operators are required to render monthly returns on any transactions with PEPs to the NFIU. This applies to all the businesses. In light of this, the Compliance Officer sends thereport to NFIU at cmi@nfiu.gov.ng. Where there are no PEP transactions, "Nil" reports must be submitted to the NFIU portal on a weekly basis. Upon receipt of the acknowledgement email from NFIU (if any), the Compliance Officer prints a copy of the email and files it in the NFIU returns file.

Net Liquid Capital

The Compliance Officer is required to file the Net Liquid Capital every Month in the prescribed manner and send same to the SEC through brokers@sec.gov.ng

Monthly Transactions Report

The Compliance Officer is required to file the Monthly Transactions Report for the Month in the prescribed manner and upload same on the NGX (XBOSS) portal after concurrence from the Internal Control. The Operations team sends the Monthly Transactions Report to the Internal Control for review and concurrence.

OTHER REPORTS

The Compliance unit is also to ensure the submission of the following returns to SEC, NFIU and NGX as outlined in Schedule IV of the Rules and Regulations 2013, other parts of the SEC Rules and in other relevant laws:

(i) Quarterly Returns in the prescribed manner to the SEC

(ii) Minor transaction return in respect of all the businesses to the NFIU

(iii) Annual report and accounts to the regulators (SEC, FRCN, CAC)

(iv) Complaint Management Report to the SEC

(v) Quarterly AML/Combating the Financing of Terrorism Report to SEC and NFIU

(vi) Annual renewal of Fidelity Bond to the SEC

(vii) Annual renewal of registration

A comprehensive list of all the compliance filings is contained in the compliance calendar.

6. REGISTRATION OF SPONSORED INDIVIDUALS

Sponsored Individuals are all principal officers and professionals' experts and, on whose advice, or actions investors are expected to rely. These individuals must be registered with the

Commission as Sponsored Individuals. When a person is to be registered with SEC then it will be the duty of the individual and the sponsoring company to ensure that such accreditation or registration is obtained and maintained at all times. All expenses in the above regard shall be borne by the company. Each Business is expected to maintain the minimum number of Sponsored Individuals prescribed by the SEC for the relevant type of business.

Process for Registration:

- The Compliance Officer provides SEC Form 2 and 2D in duplicate to the applicant who fills it and attaches all the requisite documents for a fresh registration. For the transfer of a Sponsored Individual from another firm, SEC Form 2 and 2B are to be completed.
- The Compliance Officer ensures that the forms are properly executed and stamped at the High Court registry.
- The Forms are submitted at SEC office with the applicant present. Note that originals of all certificates will be sighted at the point of submission and an application fee (currently ₦150,000.00 for a fresh registration and N100,000.00 for training fees will be paid per applicant to SEC.
- The applicants can then proceed for the police clearance exercise which is in three stages as follows:
  a. Applicants go to the registration office at the nearest SEC office with 3 passport photographs. Upon the conclusion of the exercise at the SEC Office, a letter of introduction to the designated police station is given to the applicants.
  b. After the clearance at the SEC office, applicants proceed to the designated police station (in the case of Lagos State, this is Kam Salem House at Obalende) to make payments for the police clearance.
  c. Finally, applicants proceed to the point designated for the clearance (in the case of Lagos State, this is Alagbon Police Station at Ikoyi) for the final stage of the clearance.
  d. If there are any deficiencies in the application, SEC will contact the applicant to communicate them. Upon the receipt of the complete application, the applicant will be invited for training after which an examination is conducted. Upon successful completion of the examination, an interview is conducted by SEC. Successful candidates are thereafter issued letters of approval of their registration as Sponsored Individuals accordingly.

7. STANDARDS OF CONDUCT

The Group requires that all members of staff be guided in their behavior and the performance of their duties by the General Principles outlined below and the Group's Code of Conduct.

A. General Principles Applicable to all Staff

- Behave with Integrity
- Exercise Skill, Care and Diligence
- Control and organize affairs responsibly and in accordance with risk management systems
- Observe proper standards of market conduct
- Clients' interests come first. Treat them fairly and pay due regard to their interests

- Communicate clearly and promptly with clients
- Do nothing which could, or reasonably could be presumed to, result in a conflict with the interests of a client
- Preserve the relationship of client trust when offering advice or executing discretionary decisions

A Pre-trade Authorization request must be submitted to and approved by the Internal Control Unit, who may refuse permission if it is likely that there exists a potential for an actual or perceived conflict of interest. A review of each employee's personal account dealing will form part of the annual compliance review. This review is carried out by the compliance unit. Random monitoring of staff accounts is also done on a quarterly basis to ensure compliance with the SEC regulation on monitoring of staff account. In carrying out personal dealing, employees are required to comply with the following restrictions:

i. Restricted List

The company maintains a list of securities in which employees and their close relatives are prohibited from dealing in because the Group is working on a transaction involving the said securities, or their issuer.

ii. Restricted List Policy

Market Sensitive Information: whenever employees become aware of market-sensitive information that are not available to the public due to dealings between the Issuing Company and the Investment Banking Division, such employees and their close relatives are restricted from making investments in the stocks of the aforementioned Issuing Company till the market-sensitive information becomes available to the public.

Research Reports: No investment may be made under any circumstances in the securities of any issuer that is the subject of a report being prepared by the company until 5 days following the publication of said report.

iii. Corporate Finance Mandate

No investment can be made in the securities of any company with whom a mandate has been signed for the raising of capital or any other corporate finance activity until such mandate is either completed or cancelled, which determination will be made by the MD of the relevant business.

iv. **Company Presentations, road-shows, or investor visits**

When a company is being presented to investors or is the subject of a public relations exercise undertaken by the Issuing House, no staff member or their close relative may deal in the company's shares until 5 days following the completion of the exercise.

v. **Dealing Ahead**

Staff members are prohibited from dealing in any security in which they know (or can reasonably be expected to know) that a client intends to deal to a degree that changes the current status of that security in the market.

vii. **Insider Trading/Misuse of Information**

Insider trading is the buying or selling of a security by someone who has access to material, non-public information about the security. This information comes directly/indirectly from an inside source. Inside sources for the purpose of insider information include directors, employees and their close relative, anyone who can obtain information by their employment, office or profession.

It is a criminal offence for any person to:

- Deal in securities with the benefit of inside information.
- Disclose inside information to another person outside the proper performance of employment.
- Encourage another person to deal while reasonably believing that dealing will occur.
- Information that has been derived through research, analysis, or study of public documents and events, is not considered inside information although it might not be in the public domain.
- Insider dealing provisions are contained in Sections 133 - 139 of the Investment and Securities Act 2025. The Act makes it a criminal offence for any person (either individual or corporate) to deal in securities with the benefit of inside information.
- If convicted of the crime of insider trading, the offender is liable to a fine of at least ₦10,000,000.00 in the case of individuals or ₦50, 000,000.00 for corporate institutions. A maximum 7-year imprisonment is also available to the courts.

B. Financial Promotion

The ISA and especially the SEC Rules and Regulations are very particular about communications aimed at inducing a person to engage in investment activity. The provision of Part XI of the ISA and SEC rules define and regulate such communications with an overall purpose of ensuring that all information and communications emanating from the company are clear, fair and not misleading.

C. Printed Materials

Our Rules and Regulations are directed at protecting the public from misleading communications or improper inducements. Staff must take corresponding care in the drafting and dissemination of all external communications, particularly research reports, prospectuses/private placement memoranda, corporate brochures or publicity announcements, contract notes and the like.

It is imperative that any document distributed by the issuing house that might conceivably be considered as promotional materials (research reports, placing documents, brochures etc.) carries the appropriate disclaimer.

SEC takes a very wide view of what constitutes financial promotion and how it is communicated. To ensure compliance, the compliance unit must review and indicate approval of, all products/marketing brochures, presentations, websites, information memoranda or the like before their initial distribution beyond the company. The list of intended recipients must also be approved, at least generically. All research/newsletters and e-mails must contain the company's applicable disclosure.

Approval must be gotten from Regulators before the publication of materials that can be considered as advertisement. The adverts can be in the form of circulars, letters or other written or electronic medium of communication addressed to more than one person, offering reports or publications about securities or investment products which can determine when to buy or sell any security or any other investment advisory service with respect to securities.

D. Press

Dealings with the press are potentially dangerous. When members of the press/media, or other third parties call to find out information about the Group's services or solicit its views regarding specific markets or market developments, they should be directed to a qualified member of staff who has been designated by the management team to handle all requests for formal interview.

8. CONFLICT OR INTEREST IN INVESTMENT RESEARCH

The Group must comply with ISA regulations regarding managing possible conflicts of interest in documents published and distributed as investment research. The purpose is to ensure that any document offered to clients as objective work is precise. This requires that analysts are secured from pressure, internal or external, which might influence their work and reduce its impartiality.

Every piece of research or financial promotions circulated outside the Group must be approved and signed by the officer in charge of the unit responsible for the creation of the document before it is distributed. Further- more, all members of staff are bound by the provisions of the Compliance Manual and staff handbook which bars acceptance of gifts above a certain amount and which requires the avoidance of conflicts of interests be- tween personal or the company's interests and those of clients.

A. Research Policy

The Group will not publish or circulate any document whatsoever which has been prepared by one or more staff members unless such document has been duly approved by the unit's head and where such documents are to be used for promotional, marketing or in respect of specific transactions, it must be approved by Executive Management. These documents will be retained for at least 5 years.

B. Controls to Ensure Compliance

To ensure that the objectivity of the author(s) of any research or other relevant document is not compromised hence ensuring untainted contents, the Group will manage the research analyst(s) as follows:

- The unit head of the author of the report, after consultation with his manager, will authorize any document intended for circulation outside of the company prior to the commencement of work. In granting approval, the following matters will be considered: the relationship between the company and the subject of the report; the business justification for the report; and the actual or possible access by the author to confidential information which should not be disclosed out- side the company.
- Once completed, the unit head (or Executive Management, depending on the nature of the document) will approve the distribution of any report or document, taking into account: The approvals required, the possibility that the document contains embargoed information, the merit of the case supporting the actual or inferred recommendation.
- Distribution of all or a part of the contents of the report must be simultaneous to all intended recipients according to the manner chosen by the analyst and approved by the unit head

- The appropriate disclaimer must be clearly displayed on the document.

C. Chinese Walls

The concept of the Chinese wall is to ensure the integrity of confidential information by the physical (where possible) separation of staff authorized to know and use such information and those who are not. In the event that an employee becomes aware of embargoed information or could possibly become aware of such information due to the size and structure of the company, the employee will be brought across the Chinese Wall and may not publish nor comment on the subject of the embargoed information until released by the affected unit head or other designated officer for that purpose.

D. Applicability of Research Policy

This policy applies to any research published and circulated for the purpose of advising or persuading a potential investor on the merit of a specific investment or of a specific issuer. Examples of such research are company or security specific reports offering specific or inferred advice or recommendations or conference calls or seminars in which an employee expresses such an opinion. An Information Memorandum would be such a document unless disclosure of the relationship between the author and the subject of the memorandum were fully disclosed.

This policy does not apply to a document whose purpose is to inform the reader of facts which in the author's best judgment are true and accurate and does not draw conclusions from the facts which can be construed as the giving of advice. Examples of exempted research would be factual newsletters; commissioned reports for private circulation; reports whose contents are not presented as impartial and where such report bears appropriate disclaimers.

9. Money Laundering

Money laundering is the process by which money, which is illegally obtained, is made to appear as if it was legally gained. The criminal activity from which the proceeds are derived can be of any kind, ranging from tax evasion to drug trafficking. The Group is regulatory obliged to have appropriate systems and controls to forestall and prevent money laundering. Failure to do so can result in regulatory sanction, loss of reputation and imprisonment

Being that the Nigerian economy is predominantly cash based, one of the greatest risks faced by the Group is the failure to enforce AML procedures, leading to criminal or civil sanctions which could destroy the Group's finances or more importantly its reputation. Regulatory sanctions prescribed for application against a convicted individual would result in prison and an effective end to a career (at least in the financial services industry).

The Group believes that the only way to manage these risks is to adopt and use international compliance standards as a benchmark in conjunction with local AML legislation and regulations. Failure to live up to expectations and / or a violation of these policies would ultimately result in sanctions.

Practically, this means that the Group must 'Know Its Customers' and their businesses. The Group must be able to identify and verify the details given by a customer and provide a satisfactory explanation for any transaction carried out. To ensure that employees are equipped to effectively carry out proper CDD, the company must ensure that all its employees are properly and regularly trained.

i. The Law, the Rules and Regulations

The applicable legislation/regulations governing money laundering and related offence in the Nigerian jurisdiction include:

- Money Laundering (Prohibition) Act 2022
- Economic and Financial Crimes Commission Act 2004
- Investment and Securities Act 2025
- Advance Fee Fraud and Other Related Offences Act 2006
- Nigerian Drug Law Enforcement Agency Act 2011
- Terrorism (Prevention and Prohibition) Act 2022
- NFIU Reporting Guidelines 2012
- SEC Rules and Regulations 2013 (and various amendments made thereafter).
- Securities and Exchange Commission (Capital Market Operations AML/CFT Regulation 2013

ii. The Offence/Penalties of Money Laundering

It is a criminal offence for either the company and/or individual members of staff to assist in the laundering of money whether by an act or omission. Conviction of an employee of a financial institution or designated non-financial institution for a money laundering offence under the Money Laundering Act carries a minimum prison sentence of 2 years plus N10,000,000 in fines for an individual. The person also faces the likelihood of being banned indefinitely from practicing his/her profession.

In brief, it is a crime for any person to acquire, possess or benefit from criminal property, it is an offence for the company not to have appropriate systems and controls to forestall and prevent money laundering. The company must report not only actual but also suspected cases of money laundering hence the provision for suspicious transaction reports.

Under the Money Laundering Act, it is specifically an offence to do any of the following:

- Assist or facilitate the retention of illegally gained funds;
- Conceal or transfer the proceeds of a criminal act;
- Acquire, possess, use or benefit from the proceeds of an illegal funds;
- Fail to report knowledge or suspicion of money laundering when reasonable grounds exist for knowing or suspecting that another is engaged in money laundering;
- Alert the person under suspicion or investigation, or disclose to third party information that might prejudice a money laundering investigation; and

- Destroy or dispose of documents relevant to an investigation.

iii. Politically Exposed Persons (PEP)

Members of staff must be particularly aware of politically exposed persons (PEPS) and the potential risk they represent. PEP is the term used for individuals, and their families and close associates, who are or have been in the past entrusted with prominent public functions in any country. The category includes:

a. Individuals who are or have been entrusted with prominent public functions by a foreign country, for example, Heads of State or Government, Senior Government, judicial or military officials, senior executives of State-owned corporations and important political party officials;

b. Individuals who are or have been entrusted domestically with prominent public functions, for example Heads of State or Government, senior politicians, senior government, judicial or military officials, senior executives of State-owned corporations and important political party officials; and

c. Persons who are or have been entrusted with a prominent function by an international organization and includes members of senior management such as directors, deputy directors and members of the board or equivalent functions other than middle ranking or more junior individuals.

In addition to the categories listed above, the Group also categorizes members of Royal families with governance responsibilities as PEPS.

The Group in the frequently asked questions (FAQs) section described close family as direct family members such as spouses, children, parents and siblings, while close associates are those widely and publicly known close business colleagues & personal advisors, particularly financial advisors and persons acting in a financial capacity.

Pursuant to the SEC AML/CFT Reporting Regulations, PEPs are defined as: Heads of State or government; Governors; Local government chairmen; Senior politicians; Senior government officials; Judicial or military officials; Senior executives of state-owned corporations; Important political party officials; Family members or close associates of PEPs; and members of royal families.

Being a PEP does not translate to being a criminal or an individual with criminal intentions. An honest PEP must enjoy the same rights as any other citizen and client of the Group. However, due to the rampant corruption among PEPs and their access to public funds, they are regarded as high- risk clients in respect of which enhanced due diligence must be con- ducted. Thus, their identity and their source of funds must be thoroughly investigated.

PEPs with criminal intentions may try to launder bribes, illegal kickbacks and other directly corruption-related proceeds. They are also likely to be involved in the embezzlement or the outright theft of State or other public assets or funds. In most cases, unscrupulous PEPs will employ indirect means to launder money such as using intermediaries, trust structures, being a silent partner in a legitimate business or similar tactics.

Consequently, it is prudent that the Group takes notice when approached by or on behalf of an actual or suspected PEP. Identifying PEPs can be an arduous task partly because of non-disclosure of same by the client on the one hand, and lack of a comprehensive local list of PEPs to screen names of clients' against. However, PEPs can be identified by making enquiries during the on-boarding process, screening against database of PEPs obtained from a reputable source and adequate staff training on PEPs and PEP identification. Therefore, any indication of the presence of a PEP, be it fact, suspicion or rumor must be reported immediately to the Compliance Officer so that an enhanced due diligence can be con- ducted on both the PEP and the persons acting on his behalf.

Where a prospective client has been identified as a PEP, Senior Management approval must be obtained before any business relationship can be established. In the instance where an existing client becomes a PEP, Senior Management approval must be obtained to continue such business relationship. In addition, enhanced due diligence and enhanced monitoring reviews must be conducted on clients categorized as PEPs to ensure that their KYC is up to date and appropriate controls are in place. Enhanced CDD involves inquiring and requesting for documentary evidence as to the source of funds. There are no exceptions to money laundering rules in the case of PEPs. No PEP or a company of which he is a listed or reputed share- holder may become a client of the Company without the written authorization of a Senior Member of Management in the affected business unit.

A PEP can be categorized as such since the risk associated with being a PEP is closely linked to the function or office occupied and the influence that results from the function or office. This can be done by taking into consideration the legitimacy of his/her source of wealth, the level of corruption attached to the office and the likelihood of abuse of such influence or position. It is however important to note that some PEPs may still wield influence even after vacating the office or function. Therefore, a level of enhanced scrutiny will still be necessary to ensure such categorization is appropriate or there is a need to revert to the categorization of a PEP.

iv. Procedures

Any member of staff who handles, or is associated with the handling of, a transaction which he knows or has reasonable grounds to suspect might involve money laundering or terrorist financing must immediately report, in confidence, to his unit head and/or the Compliance Officer. The reporting employee and the recipient(s) of the report are required to keep the existence of the report and its contents confidential. It must not be disclosed to any unauthorized individual.

The Compliance Officer must complete and send the requisite report to the Nigerian Financial Intelligence Unit (NFIU) immediately a suspicious transaction is discovered. The reporting employee may be asked to provide a written as well as oral statement. A timely report of suspicion is a defence in law against a charge of assisting a money launderer.

Records of proof of identification, completed monetary transactions and reports must be retained for at least 5 years by the compliance unit.

10. TRAINING

To help ensure that all employees are, and remain, fully informed of the provisions of Money Laundering Act. In conjunction with the Human Resources unit, they will be given.

- Induction training in AML upon entering the Group;
- Periodic Money Laundering Awareness training session covering the relevant laws and regulations;
- Training on their responsibilities in the context of their job descriptions and as employees;
- The effects on the Group and on the individual of violations of the laws or regulations; and the suspicious reporting regime in the Group.

Additionally, as laws and regulations change members of staff will be informed as soon as practical.

11. ACCEPTING NEW CLIENTS

Every client must be identified and categorized in accordance with the provisions of the Money laundering Act and the company's policies. The policies include without fail the KYC aspects. Every step of the policy must be concluded before transaction commences on the new client's account.

For the purpose of this Manual, a client is defined as any person engaged in, or who has contacted the Group for the purpose of engaging in any transaction on behalf of himself or as agent for another person.

The procedures for opening an account are summarized below:

- The completed account opening package is handed over to Customer Service
- Officers ("CSO") or Account Officer (AO) by the potential client.
- Receipt of the account opening package will be registered into the log book at front desk.
- The CSO or AO hands over the package to Operations after close of business for reviewing and first approval. The transfer of the package to Operations is entered in the log book.
- The package is given to the coordinating supervisor of the Operations Unit for second approval.
- The package is given to the Compliance officer for another review/check to ensure that the requisite KYC account opening requirements are complete.
- Once the account opening requirements have been confirmed complete, the Compliance Officer will give third level approval and classify the client under the appropriate risk category.
- Upon the endorsement by the Compliance Officer, the package is re- turned to Operations Unit. It should be noted that no account will be opened without complete KYC documentation and the execution of all supporting documents.
- Upon receipt of the CSCS account number, the client's in-house account is activated on the

current software application to enable trading to commence.

- A mail is sent to inform the client of his/her account details.

It should be noted that it is statutorily required that all client records are to be retained for a period of at least 5 years from the date of closure of the account or cessation of relations with the client.

12. CUSTOMER COMPLAINTS

Any client complaints whatsoever, whether oral or written, must be reported to the business unit where the client's account lies and the Compliance Officer immediately. Copies of all written complaints must be recorded by the CRO in the Complaints register and given to the Compliance Officer for periodic inspection.

It is the responsibility of the relevant unit head in conjunction with the Compliance Officer to provide a suitable response to the complainant. As there is always the threat of litigation coupled with the likely sanction of regulators, it is extremely important that all complaints are resolved in a timely and transparent fashion.

13. GIFTS AND INDUCEMENTS

The Group is required by law to conduct its business with integrity and with due regard to the interests of clients. The SEC rules and ISA as well as the rules of the NGX require that any financial services firm does not act or behave in a manner that might give rise to a conflict between the interests of the Group and those of a client. Giving and receiving gifts or inducements to encourage behaviour which might benefit the company or a specific client to the detriment of other clients is also prohibited by relevant antibribery legislation.

The unit head and Compliance officer must be notified of the receipt of any gift or service by an employee from a client in excess of N25,000 including goods and services within 24 hours of the receipt of such gift. While money, jewelry or similar items are obvious, the requirement also includes the less obvious such as entertainment, corporate hospitality and similar items to be declared. When in doubt, employees are advised to check with the Human Resources or Compliance unit before accepting or extending the offer of a gift.

14. BUSINESS LINES: OPERATIONS AND COMPLIANCE

The Group has the license to undertake the activities that center on its core businesses of Securities Trading, Trusteeship, Asset Management and Investment Banking. The Group is undertaking a regulated activity on behalf of and for its clients, whose interests it is required to protect. As well as protecting the interests of a client in any given transaction, employees are required to ensure that the Group's legal and regulatory responsibilities are also adhered to.

The conduct of business, market conduct and money laundering rules and regulations as stipulated in all relevant regulations are the main guiding principles for the Group. The sections applicable to the above business lines have been described in detail in the appendices of this Manual.

The Group has an Operations Manual that states the correct and acceptable procedures to be followed by any member of staff who is executing a transaction or dealing with a client. It is the responsibility of the unit head of each business line to ensure that his team members are properly qualified, trained and supervised in carrying out their responsibilities. The members of staff must adhere to the governing principles and the specific operating procedures.

15. AML/CFT INSTITUTIONAL FRAMEWORK

Table of Contents

A. INTRODUCTION

The use of financial institutions to launder money and aid the financing of terrorism, bribery and corruption and other financial crimes is always increasing. The Group is determined to ensure that its policy of 0% tolerance to money laundering, terrorism financing and other financial crimes is documented. This framework codifies the Group's internal policies, controls and procedures designed to reduce the possible risks that any of its businesses is being used as a conduit for criminal activities.

The AML/CFT institutional framework for the Group is based on the provisions of the SEC Anti-Money Laundering and Combating Financing of Terrorism (AML/CFT) Regulations for Capital Market Operators ("SEC AML/CFT Regulations"), Money Laundering Prohibition (Amendment) Act ("MLPA"), Terrorism Prohibition Act ("TPA"), other Money Laundering and Terrorism Financing legislation/regulations in Nigeria and international best practices.

The Group, its Board of Directors, Shareholders, Executive Management and Senior Management are firmly committed to 100% compliance with all the laws and regulations preventing money laundering, terrorism financing and other financial crimes and the same level of commitment is expected from the company employees. This policy is intended to ensure that the Group facilities, products and services are not used for financial crimes.

B. SCOPE OF AML POLICY

This framework contains the key principles and procedures for the proper AML/CFT prevention and reporting procedure within the Group. It is intended to assist employees to carry out their duties in accordance with: -

- The law; and
- Relevant regulatory requirements

This policy is applicable to the Group. It sets forth the Group's principles and minimum standards from a risk-based approach to identify the AML controls that are required for the Group and to ascertain that controls, mechanism and monitoring processes are in place to help the global combat of financial crime. However, where the applicable local laws establish a higher standard, such a higher standard shall be adhered to.

C. SCOPE OF AML POLICY

The Group is to ensure the prompt appointment of an AML/CFT Officer with the relevant competence, authority and independence to ensure compliance with this framework. The duties of the AML/CFT Officer include:

i. Developing the AML/CFT policy

ii. Rendering returns to the relevant regulatory authorities.

iii. Receiving and vetting STRs from the Group's employees

iv. Ensuring that the Group's compliance policy is implemented

v. Coordinate AML/CFT training for the Group's employees

vi. Act as the Group's liaison officer to SEC, NFIU and other Regulators

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vii Act as the initial contact person for all employees on issues relating to money laundering and terrorist financing.

D. COOPERATION WITH RELEVANT AUTHORITIES

Whenever a request for information is made in line with subsisting laws and regulations, the Group shall respond promptly. The Group must:

a. Search immediately (not later than 24 hours) all records and electronic data base to determine whether it maintains or has maintained any account for or has engaged in any transaction with the legal personality named in the request document
b. Immediately report the result of the search to the NFIU
c. Ensure the highest degree of confidentiality for such requests. At no point should the Group notify the subject of the investigation/report.

E. IDENTIFICATION OF PROCEEDS OF CRIME

The company shall report to NFIU any suspicious transaction detected in the course of its business. Transactions suspected to be derived from the following criminal activities must be reported immediately.

- Terrorism and terrorist financing
- Corruption and bribery
- Fraud
- Insider trading and market manipulations
- Illicit trafficking in narcotic drugs and psychotropic substances
- Illegal arms trafficking
- Illicit trafficking in stolen and other goods
- Kidnapping, illegal restraint and hostage taking
- Extortion
- Other categories of crime as stipulated in Rule 6 of SEC AML/CFT Regulations
- Any other criminal act specified in the Money Laundering Prohibition Act 2022, Terrorism (Prevention and Prohibition) Act 2022 and any other law.

F. SECRECY AND CONFIDENTIAL LAWS

The Group will not be restricted in the implementation of this policy document and the requirement of its source legislations/regulations by any secrecy or confidentiality laws.

G. NUMBERED AND ANONYMOUS ACCOUNTS

The Group shall not allow the opening of anonymous accounts with fictitious names for its clients in any circumstances. The openings of nominee accounts are permissible where details of the beneficial owners are readily available and can be provided upon the request of the regulators.

H. CUSTOMER DUE DILLIGENCE MEASURES

Customer Due Diligence ("CDD") is the identification of clients and verification of the identity data submitted by the client. For clients that are legal persons, the Group must:

a. Receive evidence of incoming clients' identity

b. Verify the identity of any person purporting to have been authorized to act on behalf of a corporate person by evidence of his identity and verifying his stated identity

c. Verify the status of any corporate client by obtaining proof of its incorporation from the Corporate Affairs Commission ("CAC") or any similar evidence of establishment/existence.

d. Verification of stated identities must be obtained with the use of reliable, independently sourced documents, data or information.

For other clients, the company must identify the beneficial owner and reasonable steps must be taken to ensure that he/she is the real beneficial owner. His identity must also be verified. Where it is determined that a client is acting on behalf of another person, the company must take all reasonable steps to obtain sufficient identification data and verify the identity of that other person. In addition, all clients must be classified according to their perceived category.

CDD is continuous and the process of measuring it depends on the discretion of the account officer and the personal circumstances of the client. The Group must ensure that CDD measures are strictly adhered to in the on-boarding of new clients and on-going relationships with existing clients. All transactions must be scrutinized and recorded

Find below the various CDD measures to be taken for different categories of clients:

i. Ongoing Due Diligence for Existing Clients: this is ensuring proper scrutiny of all transactions undertaken by clients throughout the course of their relationship with the company. This is to ensure that the transactions are consistent with the Group's knowledge of the client, his business, risk profile and source of funds.

All documents, data and/or information collected under the CDD process must be kept up- to-date by reviewing the process. KYC for all clients must be on-going. Clients should be asked for updated KYC documents on a periodic basis. CDD can also be applied to existing clients where:

• A transaction of significant value takes place;

• A client's documentation requirements/standards change;

• There is a material change in the operation of the account; or

•The Group becomes aware that it lacks sufficient information about an existing client.

The Group is also expected to be extra cautious when transacting with clients that are classed as high risk. For these high-risk clients an Enhanced Customer Due Diligence (ECDD) must be

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conducted to approve the commencement of any business relationship with the Group or to continue an already existing relationship.

The Group will not commence any business relationship or execute any transactions where the client does not fully comply with CDD requirements. The Group shall terminate any existing relationship with an errant client. Details of this relationship must also be reported to NFIU.

ii. Enhanced Customer Due Diligence: The Group must adopt greater caution when approving the opening of accounts or execution of transactions for persons classified as high-risk clients.

High-risk clients include the following categories of persons:

- Non-residents in Nigeria
- Clients from jurisdictions or locations known for its high crime rate such as drug trafficking, production or smuggling.
- Clients from jurisdictions designated by FATF as high-risk jurisdictions
- PEPs or persons or companies related to them.
- Complex legal arrangement such as unregulated investment vehicles or Special Purpose Vehicles ("SPV").
- Group with Nominee Shareholders
- Cross border business relationships.
- Wire transfers and all non-face-to-face transactions

For the purpose of conducting an ECDD, the company must inquire from the client:

a) The purpose for opening an account

b) Level and nature of trading activities intended

c) Ultimate beneficial ownership

d) Source of funds

Senior Management written approval must be sought and received prior to opening of accounts for designated high-risk clients.

iii. CDD for lower risk clients: the Group will apply reduced or simplified CDD measures when identifying or verifying the identity of a "low risk" client or any beneficial owner of such client. A client will be regarded to be of low risk when the risk of money laundering or terrorist financing is lower, information on the identity of the client and beneficial owner (if applicable) is publicly available, or adequate checks and control exists in the national system.

The following categories of persons can be regarded as lower risk clients

i. Capital Market Operators that are subject to SEC's requirements for combating Money Laundering and Terrorism Financing.

ii. Public companies listed on the stock exchange or similar situations that are subject to regulatory disclosure requirements.

iii. Government ministries, departments and agencies.

iv. Insurance policies for pension schemes where there is no surrender-value clause and the policy cannot be used as collateral.

v. Pension or similar scheme that provides retirement benefits to employees. Contributions to the scheme must be deducted from the employees' wages and the scheme's rules do not permit the assignment of members' interests under the scheme.

vi. Beneficial owners of pooled accounts held by Designated Non-Financial Businesses and Professions ("DNFBP") certified by the respective regulators or self-regulatory organizations. The policies of these organizations must be subject to all AML/CFT laws.

iv. CDD for Politically Exposed Persons ("PEP"): In addition to performing normal CDD, approval of Senior Management must be obtained prior to the commencement/opening of any business relationship with any client classified as PEP. Monthly returns on all transactions involving PEPs must be filed with NFIU.

Where there is an on-going relationship and the client is found to be or becomes a PEP, Senior Management approval must be obtained in order to continue the business relationship. The company will take reasonable steps to ascertain the source of wealth and funds of all clients and beneficial owners classified as PEPs. All abnormal transactions will be immediately flagged and reported to NFIU.

v. Record Keeping: The Group shall keep records of all transactions (domestic and international), identification data, account files and business correspondence for at least 5 years following the completion of the trans- action or for longer periods if this is specifically requested by SEC or NFIU in specific cases. This requirement shall be applied regardless of whether the account or business relationship is ongoing or has been terminated.

All information obtained during any meeting, discussion or other communication with clients shall be recorded and kept in the clients' files to ensure easy accessibility to the Compliance Officer and other relevant regulatory bodies.

I. SUSPICIOUS TRANSACTIONS

The Group will pay special attention to all complex, unusual large transactions and unusual patterns of transaction that have no apparent or visible economic or lawful purpose. These transactions are to be regarded as suspicious transactions. These transactions shall include but not limited to:

- Significant transactions relative to a relationship
- Transactions that exceed a certain limit
- Very high account turnover inconsistent with the size of the account balance
- Transactions that fall out of the regular pattern of the account's activity
- Transactions involving high risk countries vulnerable to money laundering
- Transactions involving shell companies

- Transactions with correspondents that have been identified as higher risk
- Large transactions activity involving monetary instruments
- Transaction's activity involving amounts that are just below the stipulated reporting sum or enquiries that seem to test internal monitoring policies and controls the company shall investigate the background and purpose for such transactions and records of its findings shall be made available in writing to SEC and NFIU. These records must be kept for at least 5 years from the end of the business relationship.

STR Red Flags: STR red flags are indicators or activities that point to the possibility of an ongoing suspicious transaction. Some STR red flags include

- Where persons involved in a transaction share an address or phone number especially when the address does not seem to correspond to the stated occupation.
- Transaction by a non-profit or charitable organization for which there appears to be no logical economic purpose or for which there appears to be no link between the stated activity of the organization and other parties in the transaction.
- Large volume of transactions through a business account with no apparent logical business or economic purpose especially if the transactions/activity involves designated high risk locations.
- Where the stated occupation of the client is inconsistent with the type of level of account activity.
- Multiple personal and business accounts or the accounts of non-profit organizations or charities that are used to collect and channel securities to a small number of foreign beneficiaries, etc.

Reports: The Compliance Officer of the different subsidiaries must submit reports to NFIU on all transactions that are considered suspicious within 24 hours from the execution of the transaction. All transactions in any currency above the sum of N5,000,000 for individuals and N10,000,000 for corporate persons must also be reported to the NFIU

Business relationships with persons from countries that do not comply with FATF recommendations:
The Group shall endeavor to avoid the cultivation of business relationships with persons that do not comply with FATF recommendations. However, in cases where it is expedient to conduct business with such persons or institutions, ECDD and other stringent measures will be applied to identify the clients and any other beneficial owners be- fore accounts are opened. All transactions originating from that account will be regarded as suspicious and will be automatically reported to NFIU.

J. EMPLOYEE EDUCATION

The Compliance Officer in conjunction with top management shall develop an annual AML/CFT training schedule for all employees of the Group. The training programs will be tailored to meet the perceived needs of the Group The training schedule shall be submitted to SEC and NFIU not later than December 31 of each financial year against the next year.

K. MONITORING OF EMPLOYEE CONDUCT

The Group shall monitor its employees' accounts for potential signs of ML/TF. Prior to the opening of employee accounts, the same AML/CFT measures applicable to other clients will also be applicable to them under the supervision of the AML/CFT Compliance Officer. The Compliance Officer's account is to be reviewed by the internal auditor or another person of adequate superiority. Red flags for suspicious transactions by employee account include:

- Employee exhibiting a lavish lifestyle that cannot be justified by his salary
- Employee fails to comply with approved operating guidelines
- Employee is reluctant to take a vacation

L. PROTECTION OF EMPLOYEES WHO REPORT VIOLATIONS

Employees are encouraged to report incidences of wrongdoing to appropriate authorities. If an employee becomes aware of any ML/TF infractions, he should report it immediately to the AML/CFT Compliance Officer in order to ensure it is promptly reported to the regulators. In cases where the violations involve the Compliance Officer, employees should report the infraction to the Head of Internal Control. All such reports should be made in writing and employees are indemnified from any con- sequence that might arise from such reporting.
In cases where both the Compliance Officer and/or Head of Internal Control is involved in the incidence leading to the infraction, the employee shall address his report to another Senior Manager in the company or directly to the regulators.

M. KNOW YOUR CUSTOMER AND IDENTIFICATION PROCEDURE

In combating money laundering and financing of terrorism, the identification of clients is very important to enable the tracing of any suspicious trans- actions, funds and any other activities. The Group shall take a risk- based approach to the verification of clients' identities thus no business relationship will be established until all relevant parties to the relationship has been identified and the nature of the business they intend to conduct has been ascertained.

In establishing identity, the following categories of clients shall be taken into consideration:

- Individual clients;
- Corporate clients; and
- Institutional clients

Account officers must enquire the following from prospective clients:

- Purpose and reason for opening the account or establishing the business relationship,
- Nature of activity to be undertaken via the account,
- Expected origin of the funds to be used for the stated activity,

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• Details of occupation, employment, business activity and sources of wealth or income,

• Identity documents showing the client is a legal or natural person,• In cases where the client is not the beneficiary of the proceeds of the account, the identity of the beneficiary must be verified, ID's must be obtained for all signatories or directors to an account as well as all joint owners of any account.

In the case of foreign nationals, a copy of the international passport, national identity card or documentary evidence of his/her address provided shall be certified by-

(i) The embassy, consulate or High Commission of the country of issue;

(ii) A senior officer of the company dated and signed "original sighted by me"; or

(iii) A notary public or court of competent jurisdiction.

N. CONCLUSION

It should be noted that the provisions of this manual are based on the AML/CFT laws in Nigeria. If more information is needed on any AML/CFT related issue, contact the Compliance Officer of Securities limited business for clarification. Provisions of the Securities and Exchange Commission (Capital Market Operators Anti-Money Laundering and Combating the Financing of Terrorism) Regulation 2013 and other AML/CFT regulations can also be consulted

16. POLICY REVIEW

i. This Compliance Manual shall be reviewed at least annually, or more frequently where required due to changes in applicable laws, regulations, regulatory guidance, or the Group's business operations.
ii. The Compliance Manual shall also be reviewed following any significant regulatory developments, internal audit findings, compliance breaches, or material changes in the Group's risk profile.
iii. All amendments to this Compliance Manual shall be subject to review and approval by the appropriate governance authority, including the Compliance Department and the Board or delegated committee, as applicable.

17. APPROVAL

This Board of AVA Capital Plc adopts this Compliance Manual and Code of Conduct, consistent with the Group Governance Framework.

DR. ADEYINKA ADEDEJI CHAIRMAN	DR. HAUWA BABAKOBI DIRECTOR

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