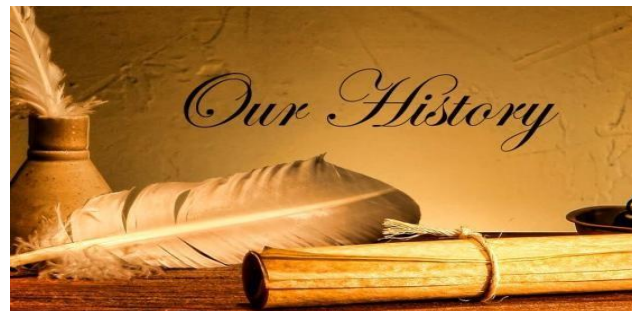




ANTI- MONEY LAUNDERING & COMBATING TERRORISM FINANCING POLICY

Table of Contents

CONTENTS	
1. Introduction	3
1.1 General	4
1.2 Additional local requirement	4
1.3 Terminologies	5
2. General responsibilities for Compliance with this Policy	5
3.1. Management	5
3.2 Role of the Compliance Officer	6
4.0 Background	6
4.1 Policy Statement	6-7
4.2. Appointment and Duties of AML/CFT Compliance Officer	8
4.3 Customer Due Diligence	9
4.4 Policy for Acceptance of Client	10-14
4.5 High Risk clients	14
4.6 Clients with Special Category	14-16
4.7 Maintenance of Records	16-18
4.8 Procedure and Manner of Maintaining Information	19-20
5.0 Suspicious Transaction Monitoring & Reporting	20-23
6.0 High Standard in Hiring Policy and Training With Respect to Anti-Money Laundering	23



Incorporation and History

Nigerian Stockbrokers Limited ('NSL'/ the company) was incorporated as the first stockbroking firm in Nigeria under the Companies Ordinance Cap 38 on 26th September 1960. Prior to the implementation of the Nigerian Enterprise Promotion Act 1972 ('Indigenisation exercise') NSL was wholly owned and managed by Financial Holdings Nigeria Limited ('FHNL'). Following the Indigenisation exercise, the interest of FHNL was transferred to some Nigerian citizens and association. NSL is, therefore, a wholly owned Nigeria company.

The Company obtained a Broker/Dealer license from the Securities and Exchange Commission ("SEC") in 1995 and subsequently became an Authorized Dealer of the Nigerian Stock Exchange ("NSE"). NSL had a composite licence for its business operations from the Securities & Exchange Commission (SEC).

Nigerian Stockbrokers Limited (NSL) is a first class Investment banking Group. The authorized and paid-up share capitals steadily increased over the years to meet both business and regulatory requirements. Since the Management Buy –Out in 2016, NSL has been modelled after major international investment banking institutions. The Company is ably managed by a team of time-tested and visionary professionals. It has since grown steadily in the various aspect of capital market operation and has NSL Capital Partners Limited as a subsidiary with operations in the Investment Banking and Capital Advisory space of the market.

NSL's Corporate Head Office is located at Knight Frank Building, 6th floor, 24 Campbell Street, in the highbrow of the Central Business District of Lagos Island, Lagos State, which provides a convenient environment for clients away from the busy city centre; thus facilitating personalized and efficient service delivery to its numerous corporate and individual clients.

1. **Introduction**

1.1 **General**

This document sets out the Policy of Nigerian Stockbrokers Limited (“NSL” / “the Company”) on Anti–Money Laundering & Combating Terrorism Financing. The Policy provides minimum standards for these matters within NSL to ensure compliance with all Regulatory Rules, Guidelines and Regulations. The rules set forth below should not necessarily be implemented as separate policies and procedures, but may also be incorporated in Codes of Conduct, Codes of Ethics and similar documents.

In addition, NSL makes a dedicated effort to ensure that its employees understand and adhere to applicable laws and regulations as well as general ethical standards (such as rules pertaining to proper market conduct within the Company).

This policy applies to all businesses (or business units) under NSL’s management control and staff departments.

1.2 **Additional local requirements**

It is impractical to document here all the rules, regulations and practices that govern the handling of Anti-Money Laundering and Combating Terrorism Financing by our various businesses. Such rules and regulations, and local procedures, may be stricter than the practices set out in this document, or impose additional limitations or requirements on a local business unit. Where local requirements are more stringent than those set out in this document, the local regulations will always prevail.

Therefore, this Policy must be read in conjunction with any local procedures, and Management must ensure employees are familiar with, and abide by all applicable local rules, regulations, policies, procedures and practices.

Where there is any direct conflict between local laws and the requirements set out under this Policy, then Management must notify the Committee prior to implementing any local policies, guidance or procedures.

1.3. **Terminologies**

In this Policy, some words and terms are used to express certain concepts. These are described below.

Compliance Officer: The Chief Compliance Officer of NSL.

Management: The people, so appointed, who are individually or jointly responsible for the decision-making, general operation and administration of business lines, business units, legal entities, branches, internal committees and bodies and similar parts of the Company.

3. General responsibilities for compliance with this Policy

3.1 **Management**

Management is responsible for the effective execution and supervision of this Policy and policies and procedures developed pursuant to this Policy that are relevant to their business unit. In addition, Management is responsible on a day-to-day basis for fostering an environment such that employees under their control understand and comply with this Policy.

Policies and procedures that safeguard compliance with this Policy, as well as local laws, regulations and ethical standards shall be developed within each business line and business unit. To the extent that such is required under local laws and regulations, Management shall ensure that policies, procedures and training are developed that deal with such topics. While this Policy states that Management is responsible, Management may delegate the development of local or business line policies as well as the implementation and monitoring thereof to departments such as Legal, Compliance and Corporate Audit Services. Nevertheless, Management remains ultimately responsible. Management shall include guidelines in their local or business line policies as to what disciplinary measures are considered appropriate.

3.2. **Role of the Compliance Officer**

The Chief Compliance Officer will assist Management with the development and implementation of local policies and/or procedures. He/she is also responsible for providing information related to this Policy and any local associated policies, procedures. He/she shall also monitor compliance with this Policy and regulations related to it. Local compliance manuals shall describe how such monitoring should take place. The Chief Compliance Officer shall include incidents pertaining to violations of the policies discussed above in his/her periodic reports. Any breach of these policies must also be reported as a compliance incident under the operational risk management reporting policies.

4.0. BACKGROUND

The objective of having an Anti-Money Laundering (“AML”) policy is to have in place adequate policies and procedures that help to prevent money- laundering activities.

4.1. POLICY STATEMENT

Nigerian Stockbrokers Limited (“NSL/the Company”) is fully committed to combat any effort of laundering money earned through drug trafficking, terrorism and any other means of organized and serious crimes by any individual or entity. Towards this NSL has put in place all such processes and procedures of internal control aimed at preventing and impeding any attempt of money laundering and terrorist financing. The policies and procedures to Combat Money Laundering cover:

- Communication of policies relating to prevention of money laundering and terrorist financing to all management and relevant staff that handles account information, securities transactions, money and customer records etc. whether in branches, departments or subsidiaries.
- Customer acceptance policy and customer due diligence measures, including requirements for proper identification.
- Maintenance of records.
- Compliance with relevant statutory and regulatory requirements.
- Co-operation with the relevant law enforcement authorities, including the timely disclosure of information.
- Role of the internal control or compliance function to ensure compliance with policies, procedures and control including detecting suspected money laundering transactions, evaluating and checking the adequacy of exception reports generated on larger or irregular transaction and level of awareness of front line staff of their responsibilities in this regard.

4.2. APPOINTMENT AND DUTIES OF AML/CFT

COMPLIANCE OFFICER

NSL shall appoint an AML/CFT Compliance Officer with a grade not lower than a Manager and shall perform the following:

- a) develop an AML/CFT Compliance Programme for NSL ;
- b) Render returns on mandatory disclosure and suspicious transactions reports to the Nigerian Financial Intelligence Unit (NFIU) ;
- c) render returns on Foreign Exchange Transactions to the Securities and Exchange Commission (**SEC**) and the NFIU ;
- d) receive and vet suspicious transaction reports from staff ;
- e) render “nil” reports to the NFIU and the SEC, where necessary to ensure compliance ;
- f) ensure that the NSL’s compliance programme is duly implemented ;
- g) coordinating the training of staff in AML/CFT awareness, detection methods and reporting requirements ;
- h) serve as liaison officer to the SEC , The Nigerian Stock Exchange (NSE) and NFIU; and
- i) Serve as a point of contact for all employees on issues relating to money laundering and terrorist financing.

4.3. CUSTOMER DUE DILIGENCE

NSL shall undertake Customer Due Diligence (CDD) measures when:

- a) business relationship is established ;
- b) carrying out occasional transactions above the sum of \$1,000 or its equivalent or such other thresholds as may be determined by SEC from time to time, subject to the Money Laundering (Prohibition) Act, 2011 (as amended) ;
- c) the transaction is carried out in a single operation or several operations that appear to be linked ;
- d) carrying out occasional transactions that are wire transfers, including those applicable to cross-border and domestic transfers between Capital Market Operators and when credit or debit cards are used as a payment system to effect money transfer ;
- e) there is a suspicion of money laundering or terrorist financing, regardless of any exemptions or any other sum referred to in these Regulations ; or
- f) there are doubts about the veracity or adequacy of previously obtained clients identification data

4.4 POLICY FOR ACCEPTANCE OF CLIENTS

As a measure of customer acceptance policies and procedures that aim to identify the types of customers that are likely to pose a higher than the average risk of money laundering or terrorist financing following safeguards are to be followed while accepting the clients.

As a measure of customer acceptance policies and procedures the following safeguards are to be followed while accepting the clients:

The AML/CFT Compliance Officer of the company is responsible for the following:

- Communicating the policy on prevention of Money laundering to the employees of the Company.
 - Receiving reports from employees for any suspicious dealing noticed by them.
 - Clarification any queries from employees on this matter.
 - Ensuring that the employees dealing with the clients/prospective clients are aware of the guidelines of the Company and the requirements of appropriate laws and are advised to follow the same strictly.
- a. No account shall be opened in a fictitious or an anonymous basis and in the case of our

nominee accounts; details of the beneficial owners shall be kept.

- b. Ensure that an account is not opened where the Company is unable to apply appropriate client due diligence measures / KYC policies. This may be applicable in cases where it is not possible to ascertain the identity of the client, information provided to the Company is suspected to be non-genuine, perceived non co-operation of the client in providing full and complete information. The Company will not continue to do business with such a person and file a suspicious activity report.
- c. The client will be identified by the Company using reliable independently sourced documents, data or information. The intermediary/account officer will obtain adequate information to satisfactorily establish the identity of each new client and the purpose of the intended nature of the relationship.
- d. Necessary checks and balance to be put into place before opening an account so as to ensure that the identity of the client doesn't match with any person having known criminal background or is

not banned in any other manner, whether in terms of criminal or civil proceedings by any enforcement agency worldwide.

e. The person acting for/on behalf of the clients shall have an authority/consent letter. Adequate verification of a person's authority to act on behalf the client will also be carried out by the compliance department.

f. Factors of risk perception (in terms of monitoring suspicious transactions) of the clients are clearly defined having regard to client's location (registered office address, home address, correspondence addresses and other addresses if applicable), nature of business activity, turnover etc. and the manner of making payment for transaction undertaken.

g. Documentation requirement and other information to be collected in respect of different classes of clients depending on perceived risk and having regard to the requirement to the Money Laundering (Prohibition) Act, 2011 as amended, guidelines issued by SEC and NSE from time to time.

H. Wherever any employee of NSL dealing with the client or a prospective client has a reason to believe that the client will be categorized as “high risk” client and therefore needs a higher degree of due diligence, he shall bring the same to the notice of the Chief Compliance officer.

i. The “Know your Client’s (KYC) Policy” clearly spells out the client identification procedure to be carried out at different stages i.e. while establishing the company – client relationship, while carrying out transactions for the client or when the company has doubts regarding the veracity or the adequacy of previously obtained client identification data.

j. Where the client is a politically exposed person (PEP), we shall take approval from the senior management before establishing any kind of business relationship with such person. Where such a client has been accepted and the client or beneficial owner is subsequently found to be or subsequently become PEP, the approval of the senior management would be obtained to continue the business relationship. Additionally reasonable

measures to verify the source of funds of the client identified as PEP would be taken.

k. Failure by prospective client to provide satisfactory evidence of identify will be noted and reported to the higher authority within the Company.

m. NSL shall not accept cash from any clients.

n. Each original document will be seen prior to acceptance of a copy.

4.5 HIGH RISK CLIENTS

It is generally recognized that certain customers may be of a higher or lower risk category depending on circumstances such as the customers’ background, type of business relationship or transaction etc. As such, NSL will apply each of the customers due diligence measures on a risk sensitive basis.

4.6 Client of Special Category (CSC)

Such client includes the following:

- a. Non-resident Clients
- b. Companies that have nominee shareholders
- c. Complex legal arrangements such as unregulated investment vehicles or Special Purpose Vehicle (SPV)

d. Companies having close family shareholdings or beneficial ownership.

e. Politically exposed persons PEP are individually who are or have been entrusted with prominent public junctions in a foreign country e.g. Heads of States or of Governments, Senior Politicians, Senior Government / Judicial / Military Officer, Senior Executives of State owned Corporation, important Politically Party Officials etc. including family members or close relatives of PEP and companies related to them.

f. Companies offering foreign exchange offerings.

g. Clients in high risk countries and locations (where existence / effectiveness of money laundering controls is suspect or which do not or insufficiently apply FATF standards, where there is unusual banking secrecy, countries where corruption (as per Transparency International Corruption Perception Index) is highly prevalent, Countries against which government sanctions are applied, Countries reputed to be any of the following – Havens / sponsors of international terrorism, offshore financial centres, tax heavens, countries where fraud is highly prevalent.

h. wire transfers or Non face to face transactions.

i. Clients with dubious reputation as per public information available etc.

The above mentioned list is only illustrative and the Company and the AML/CFT Compliance Officer will exercise independent judgment to ascertain.

4.7. MAINTENANCE OF RECORDS:

1. NSL shall maintain a record of all transactions, whether such transactions comprise of a single transaction or a series of transactions integrally connected to each other, and where such series of transactions takes place within a month.
2. NSL shall also maintain any information obtained during any meeting, discussion or other communication with the clients. This shall be recorded and kept in the clients' file to ensure that current clients' information is readily accessible to the Compliance Officers or relevant regulatory bodies.
3. NSL shall keep record of all suspicious transactions whether or not made in cash and by way of deposits and credits, withdrawals into or from any accounts in whatsoever name they are referred to in any currency maintained by way of:

a) Cheques including third party cheques, including electronic receipts or credits and electronic payments or debits, or

b) Travellers cheques, or transfer from any account, including from or to Nostro accounts

c) Any other mode of money transfer by whatsoever name it is called.

4. NSL shall:

a. maintain all necessary records of transactions, both domestic and international, for at least five years following completion of the transaction or longer if requested by the SEC or NFIU in specific cases; and this requirement shall apply regardless of whether the account or business relationship is ongoing or has been terminated, maintain records of the identification data, account files and business correspondence for at least five years following the termination of an account or business relationship or longer if requested by the SEC or NFIU in specific cases ;

b. ensure that all clients-transaction records and information are available on a timely basis to the SEC and NFIU ; and

c. keep the necessary components of transaction-records which shall include clients' and beneficiaries names, addresses or other identifying information normally recorded by the intermediary, the nature and date of the transaction, the type and amount of currency involved, the type and identifying number of any account involved in the transaction.

5. NSL will maintain such records as are sufficient to permit reconstruction of individual transactions (including the amounts and types of currencies involved if any) so as to provide, if necessary, evidence for prosecution of criminal behaviour.

6. NSL will ensure compliance with the record keeping requirements contained in Securities and Exchange Commission (Capital Market Operators Anti-money Laundering and combating the Financing of Terrorism) Regulations, 2013, NSE and SEC Rules.

4.8. PROCEDURE AND MANNER OF MAINTAINING INFORMATION

1. We shall maintain sound information in respect of transactions in hard and soft copies in accordance with the procedure and manner as specified by the SEC and NSE.
2. We shall evolve an internal mechanism for maintaining such information in such form and at such intervals as specified by the SEC and NSE.
3. We shall observe the procedure and the manner of maintain information as specified by the SEC and NSE.
4. All the documents collected would be verified with the original at the time of acceptance of the copies.
5. Retention of records shall be maintained for a period of five years.

We shall also maintain and preserve the following information in respect of transactions:

- The nature of the transaction
- The amount of the transaction and the currency in which it denominated
- The date on which the transaction was conducted
- The parties to the transaction
- Furnish information to the Director NFIU

The AML/CFT Compliance officer of the Company shall furnish:

- The Director, NFIU (Economic and Financial Crimes Commission) in writing within 7 days of any single transaction, lodgement or transfer of funds in excess of
 - (a) ~~₦~~5,000,000 or its equivalent, in the case of an individual ; or
 - (b) ~~₦~~10, 000,000 or its equivalent, in the case of a body corporate.
- The Director, NFIU (Economic and Financial Crimes Commission) with the Suspicious Transaction Report (STR) which will be submitted within 7 days of arriving at a conclusion that the transaction, whether cash or non-cash or a series of transaction integrally connected are of suspicious nature.

5.0. SUSPICIOUS TRANSACTION MONITORING & REPORTING

1. The Company ensures that it will take appropriate steps to enable suspicious transaction to be recognized and have appropriate procedures for reporting suspicious transactions. A list of circumstances which may be in the nature of suspicious transaction is given below. This list is only illustrative and whether a particular

transaction is suspicious or not will depend upon the background, details of the transactions and other facts and circumstances.

- a. Clients whose identity verification seems difficult or clients appears not to cooperate
- b. Asset management services for clients where the source of the funds is not clear or not in keeping with clients apparent standing / business activity.
- c. Clients in high risk jurisdiction or clients introduced by banks or affiliate or other clients based in high risk jurisdiction
- d. substantial increase in business without apparent cause.
- e. unusually large cash deposits made by an individual or business.
- f. Clients transferring large sums of money to or from overseas locations with instructions for payment in cash.

Transfer of investment proceeds to apparently unrelated third parties.

- 2) Any suspicious transactions will be immediately notified to the AML/CFT Compliance Office. The notifications may be done in the form of a detailed report will specific references to the clients, transactions and the nature/reason of suspicion, However, it will be ensured that there is continuity in dealing with the client as normal until told

otherwise and the client will not be given to continue to operate the account, and transactions may be suspended, in one or more jurisdictions concerned in the transaction, or other action taken. The AML/CFT Compliance Officer and other appropriate compliance, risk management and related staff members will have timely access to customer identification data and other CDD information, transaction records and other relevant information.

It is likely that in some cases, transaction is abandoned /aborted by customers when we begin asked to give some details or to provide documents. It is clarified that the company will report all such attempted transactions in STRs, even if not completed by customers, irrespective of the amount of the transaction.

(4) The company will not put any restrictions on operations in the accounts where as STR has been made. Company and its directors, officers and employees (permanent and temporary) will be prohibited from disclosing (“tipping off”) the fact that a STR or related information is being reported or provided to the NFIU. Thus it will be ensured that there is no tipping off to the client at any level.

(5) The company, irrespective of the amount of transaction and or the threshold limit will file STR if it

has reasonable grounds to believe that the transaction involve proceeds of crime.

- Report any suspicious transactions to appropriate authorities.

6.0. HIGH STANDARDS IN HIRING POLICIES AND TRAINING WITH RESPECT TO ANTI MONEY LAUNDERING

The company has adequate screening procedures in place to ensure high standards when hiring employees. The company will identify properly the key position within their own organization structure having regard to the risk of money laundering and terrorist financing and size of their business. The senior management level has been entrusted with the responsibility of complying with the provisions of the Money Laundering (Prohibition) Act, 2011(As amended) and reporting of the suspicious transactions, if any.

This policy has been Reviewed and Approved by the Board of Directors of Nigerian Stockbrokers Limited at its meeting held

This 28th day of March, 2026.



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Company Secretary

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Director