

NESTLÉ POLICY ON INSIDE INFORMATION

1. GENERAL

1.1 Policy Statement

Nestlé Nigeria Plc (Nestlé), whose shares are listed on the Floor of the Nigerian Stock Exchange (NSE) must comply with the relevant listing rules and securities market legislation. In accordance with such rules, Nestlé Nigeria Plc must make inside information (as described below) publicly available.

In addition, to prevent insiders from profiting from their knowledge of price sensitive and other confidential information, Nigeria by virtue of the Investments and Securities Act 2007, and several other countries have enacted legislation according to which insider dealing is a criminal offence.

Nestlé's policy is to ensure, in general, that board members, employees and external stakeholders of Nestlé who have knowledge of confidential, potentially price sensitive information are aware of the prohibition imposed by law against using, disclosing (otherwise than in the normal course of the performance of their duties) or encouraging transactions in securities on the basis of such inside information. In addition to obligations imposed by law, Nestlé wants board members, employees and external stakeholders to respect the safeguarding of confidential information and potentially price sensitive information.

1.2 Persons Covered

This Policy applies to all persons working for Nestlé, under a contract of employment or otherwise or engaged as advisors (including directors), who may have access to Inside Information as defined in Section 2.1.

1.3 Relevant Securities

This Policy applies in relation to:

1. Shares of Nestlé admitted to trading on the Floor of the NSE;
2. Any Debt securities of Nestlé admitted to trading on a securities market;
3. Any other tradable financial instrument issued by Nestlé.

All securities listed in this Section 1.3 are collectively referred to as "Relevant Securities".

2. INSIDE INFORMATION, INSIDERS AND PROHIBITED DEALINGS

2.1 Inside Information

"Inside Information" can be defined as *any information of a precise nature which has not been made public, relating, directly or indirectly, to Nestlé or to any Relevant Security and which, if it were made public, would be capable of triggering a significant price change of such Relevant Security.*

Inside Information is held to be *of a precise nature* if it indicates a set of circumstances which exists or may reasonably be expected to come into existence, or an event which has occurred or may reasonably be expected to do so; and if it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event on the price of any Relevant Security.

Information which has not been made public is information that has not been disclosed generally to the public, e.g. in a press release, speech, public regulatory filing or advertisement. The circulation of rumours or "talk on the street", even if accurate, widespread and reported in the media, does not constitute public disclosure. Similarly, only disclosing part of the information does not constitute public dissemination. So long as any material portion of the Inside Information has yet to be publicly disclosed, the information is deemed "confidential" and may not be misused.

Information is likely to trigger a "*significant price change*" of the Relevant Security concerned if a reasonable investor would be likely to use it as part of the basis of her/his investment decisions. It must be taken into account that information concerning Nestlé might trigger a significant price change.

Examples of Inside Information are set out in Annex 1.

2.2 Insiders

2.2.1 Prohibition of Insider Trading

Every time board members and employees of Nestlé are in possession of Inside Information, they are considered to be Insiders. Also, any other person working for Nestlé, including advisors and service providers of Nestlé who possesses Inside Information, is to be considered as an Insider. In particular, any person who has, directly or indirectly, knowledge of the annual or interim financial results of the Nestlé before their publication is an Insider.

2.2.2 Prohibition of Trading during Close Periods

The preparation and communication of the full-year / interim financial statements and sales figures of Nestlé provide certain categories of individuals with access to privileged information.

For this reason, the categories of individuals listed in Annex 2 are regarded as possessing Inside Information per se, and are therefore deemed Insiders and prohibited from trading during the following Close Periods:

- the period of internal availability of (i) the annual financial results and (ii) the half-yearly financial results of Nestlé up to and including the trading day following each publication of the price sensitive information either on the website of the NSE or by Nestlé after submission of results / information to the NSE and or the Securities and Exchange Commission (SEC).
- the period of internal availability of (i) the first 3 months unaudited results and (ii) the nine 9 months unaudited results of Nestlé up to and including the trading day following

each publication of the price sensitive information either on the website of the NSE or by Nestlé after submission of results / information to the NSE and or the Securities and Exchange Commission (SEC).

- At least 15 days before any board meeting to consider any quarterly or full year results or any price sensitive information.

For the non-executive members of the Board of Directors of Nestlé who have access to the information covered in this Section 2.2.2, the following Close Periods apply:

- From the day they receive board papers or any document or information containing the price sensitive information of Nestlé up to and including the trading day following each publication of the price sensitive information either on the website of the NSE or by Nestlé after submission of results / information to the NSE and or the Securities and Exchange Commission (SEC);
- At least 15 days prior to the date of any meeting to consider any price sensitive information and up to and including the trading day following each publication of the price sensitive information either on the website of the NSE or by Nestlé after submission of results / information to the NSE and or the Securities and Exchange Commission (SEC) and
- 2 weeks before the submission of 3 months, half year, 9 months unaudited financial results and annual financial results to NSE and SEC up to and including the trading day following each publication of the price sensitive information either on the website of the NSE or by Nestlé after submission of results / information to the NSE and or the Securities and Exchange Commission (SEC)

2.3 Prohibited dealings

2.3.1 For Insiders

An actual Insider, i.e. an individual who under a contract of employment or otherwise possesses Inside Information, is not allowed to

- engage in any transaction in any Relevant Securities to which the Inside Information relates either for his/her own account or for the account of any third party;
- disclose Inside Information to another person otherwise than in the normal course of the performance of their employment, profession or duties;
- cause, encourage, recommend or induce another person to deal in Relevant Securities;

until the Inside Information has become public or ceases to be material to the pricing of the security.

2.3.2 During Close Periods

For a person deemed to be an Insider during Close Periods (as defined in Section 2.2.2 and Annex 2), the threefold prohibition referred to above applies during the Close Periods, irrespective of the existence or possession of Inside Information.

The closed period shall be at the time of:

- Declaration of financial results (quarterly, half-yearly and annual)
- Declaration of dividends (interim and final)
- Issue of securities by way of public offer or rights or bonus, etc.
- Any major expansion plans or winning of bid or execution of new projects
- Amalgamation, mergers, takeovers and buy-back
- Disposal of the whole or a substantial part of the undertaking
- Any changes in policies, plans or operations of the Company that are likely to materially affect the prices of the securities of the Company

- Disruption of operations due to natural calamities
- Litigations/dispute with a material impact
- Any information which, if disclosed, in the opinion of the person disclosing the same is likely to materially affect the prices of the securities of the Company

3. ***MANDATORY COMMUNICATION WITH SEC AND NESTLÉ***

Directors and all insiders shall in accordance with Rule 401 made pursuant to the Investments & Securities Act 2007 notify the Securities & Exchange Commission of the sale and or purchase of shares in the company **not later than 48 hours after such activity**.

In addition, by virtue of the 2014 Amended Listing Rules of the Nigerian Stock Exchange, all directors, persons discharging managerial responsibility and persons closely connected to them as well as all insiders of Nestlé shall notify Nestlé in writing through the Company Secretary of the occurrence of all transactions conducted on their own account in the shares of Nestlé **on the day on which the transaction occurred** and Nestlé shall maintain a record of such transactions.

4. ***COMPLIANCE***

Compliance with the Nestlé Policy on Inside Information is of utmost importance to the Insider himself and the image of Nestlé. Thus, all Persons Covered must treat Inside Information with great care and ensure, in general, that all confidential information is kept secret.

Any dealing in breach of this Policy will be regarded as a serious disciplinary offence. In addition, violation of insider dealing regulation is punishable by fines or prison.

It is the responsibility of every director, audit committee member, employee, external auditor, adviser and other stakeholder to keep confidential information secret and to determine – when considering undertaking transactions in Relevant Securities – whether she/he actually possesses Inside Information.

In case of doubt, the Managing Director, Chief Financial Officer or equivalent position and Company Secretary of Nestlé should be consulted.

INSIDE INFORMATION

Examples of Inside Information are:

- Mergers, substantial acquisitions or disposals, far-reaching restructuring within the Nestlé Group, e.g. major acquisitions/disposals in financial terms, or minor acquisitions/disposals having a strategic dimension;
- Board decisions on equity increases or reductions, share buyback programmes, other changes in the share or capital structure;
- Annual or interim financial results, 3 and 9 months unaudited results;
- Material change in Nestlé's earnings situation, unforeseen sharp fall in earnings, surprising large-scale losses or unforeseen and remarkable earnings growth, which substantially change the general financial picture of Nestlé;
- Suspension of or drastic reduction in dividend payments, liquidity problems, impending suspension of payments;
- Important changes in Nestlé's business, such as discontinuation of a major line of business, conclusion or dissolution of strategic alliances, major liability cases or radical market changes;
- Changes in the Board of Directors, Company Secretary, senior corporate management or auditors of Nestlé.

In case of doubt whether actual facts amount to Inside Information, the Managing Director, Chief Financial Officer or equivalent position and Company Secretary of Nestlé should be consulted.

INSIDERS

1. The Chairman and the Chief Executive Officer of Nestlé.
2. Board members and Heads of Divisions and Departments (including their staff having access to Inside Information)
3. Members of the following Divisions, Departments and Units of Nestlé
 - Management and those working with members of Country Coordinating Team
 - Financial Accounting
 - Decision Support
 - Treasury
 - Legal and Company Secretariat
 - Investor Relations
 - Sales
 - Generating Demand
 - Corporate Communications and Public Affairs
 - Nestlé Nutrition & Wyeth Nutrition
 - Nestlé Professional
 - Marketing Services
 - Nestlé Nigeria Trust (CPFA) Limited
4. Members of the Audit Committee
5. External auditors, advisers, and service providers of Nestlé that have access to Inside Information
6. A person who owns 5% or more of the shares of the Company