

Conflicts of Interest and Related Party Transactions Policy

*As adopted by the Board of Directors of Ikeja Hotel Plc Company [PLC] ("IHP")
on 15th June 2017*

1. Policy Statement

- 1.1. Each of the officers, employees, agents and consultants (together referred to as "**Employees**"), senior managers and directors of IHP has a responsibility to act in the best interests of IHP and is expected to avoid any activity which might interfere with that responsibility.
- 1.2. Employees, senior managers or directors of IHP shall not in the course of managing the affairs of IHP or utilization of IHP's property, make any secret profits and/or inappropriate benefits.
- 1.3. IHP recognises that employees, senior managers and directors may: (i) engage in legitimate transactions with IHP; or (ii) take part in legitimate financial, business, charitable and other activities outside their relationship with IHP. This policy therefore sets out guidelines and procedures for requiring transparency and identifying, monitoring and managing actual and potential conflicts of interest and Related Party Transactions (as defined in paragraph 6.2 below).
- 1.4. Any activity of an employee, senior manager or director in breach of this policy may result in disciplinary action and/or summary dismissal.
- 1.5. This policy applies to IHP and all its subsidiaries from time to time.

2. Responsibility for this Policy

- 2.1. The board of directors of IHP (the "**Board**") has overall responsibility for this policy and for reviewing the effectiveness of actions taken in response to concerns raised under this policy.
- 2.2. The [Company Secretary/Chief Compliance Officer] has day-to-day operational responsibility for this policy and must ensure that all persons who may deal with concerns or investigations under this policy receive regular and appropriate training.
- 2.3. This policy will be reviewed regularly by the Board to ensure that its provisions continue to meet IHP's corporate governance objectives, legal obligations and to reflect best industry practices.
- 2.4. The Board reserves the right to, at its sole option, change, delete, suspend, or discontinue any part or parts of this policy and any procedures stated herein at any time without any prior notice to its Employees, Senior Managers and Directors. However, the Board will endeavour to communicate any substantive amendments to you. **It is your responsibility as an Employee, Senior Manager or Director of IHP to familiarise yourself with this policy as amended from time to time.**

SECTION A: CONFLICTS OF INTEREST

1. What is a conflict of interest?

A conflict of interest may arise where the objectives of IHP and the personal or professional interests and loyalties of an Employee, Senior Manager and/or Director coincide. A conflict of interest can create problems where it either:

- (i) adversely influences a person's judgment, objectivity or loyalty to IHP's business, activities and/or assignments;
- (ii) results in decisions or actions that are not in the interests of IHP or its shareholders; or
- (iii) risks the impression that IHP has acted improperly.

Even the appearance of a conflict of interest can damage IHP's reputation, so conflicts need to be managed carefully and with transparency.

2. Director's Duties

Section 280 Companies and Allied Matters Act, LFN 2004 ("**CAMA**") states that the personal interest of a director should not conflict with any of his duties as a Director, and requires that a director shall not in the course of management of affairs of the company; or in the utilization of the company's property, make any secret profit or achieve other unnecessary benefits.

Directors are therefore required to disclose their interests in any transaction pursuant to Approval procedure set out in paragraph 4 below.

3. Obligations of Employees, Senior Managers and Directors

Subject to paragraph 4 below, it is incumbent on IHP's Employees, Senior Managers and Directors:

- (i) to avoid direct or indirect business with customers, suppliers, or competitors of IHP, except within the scope of their position in IHP;
- (ii) not to exploit for their own purposes, or benefit personally, from business opportunities or information coming into their knowledge in the course of performing their duties and responsibilities;
- (iii) not to use or exploit, whether directly or indirectly, their status and/or position in IHP and/or the property of IHP in a way that is liable to create a conflict of interest with their position, including for the purpose of realizing a personal profit for themselves and/or for someone on their behalf;
- (iv) not to have a direct or indirect financial interest in or a financial relationship with any competitor, supplier or customer of IHP (except for insignificant stock interests in publicly listed companies);
- (v) not to work with a business outside their ordinary responsibilities that is in competition with IHP's business;
- (vi) not to accept a gift that does not meet the required standards under IHP's Anti-Corruption and Bribery Policy;
- (vii) not hold a second job or consulting relationship with another employer that is a direct or indirect competitor, distributor, supplier or customer of IHP;

- (viii) not to invest in or otherwise hold an interest in an outside business opportunity in which IHP has an interest, except for having an insignificant stock interest in publicly listed companies;
- (ix) not to accept personal discounts or other benefits from suppliers, contractors, service providers or customers that are not available to all IHP employees;
- (x) not to accept personal honoraria for services you perform that are closely related to your work for IHP;
- (xi) not to take part in any IHP business decision involving a company that involves an "Immediate Family Member" or with a Related Party (as detailed below). "**Immediate Family Member**" shall refer to spouse, child, stepchild, parent, stepparent, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of any Employee, Senior Manager or Director of IHP, and any person (other than a tenant or employee) sharing the household of any Employee, Senior Manager or Director of IHP;
- (xii) not to use any information of IHP for personal gain or advantage, or for the gain or advantage of another, including the purchase or sale of securities in a business IHP is interested in acquiring, selling or otherwise establishing or terminating business relations with. Please see the Insider Trading and Market Abuse Policy for more details;
- (xiii) to avoid personal relationships with other IHP employees where parties in the relationship may receive or give unfair advantage or preferential treatment because of the relationship, especially where: (a) there is an immediate reporting relationship between the employees; or (b) there is no direct reporting relationship between the employees but where a romantic relationship could cause others to lose confidence in the judgment or objectivity of either employee, or the relationship could cause embarrassment to IHP;
- (xiv) to avoid any other actions or relationships that might conflict or appear to conflict with your job responsibilities or IHP's interests; and
- (xv) to disclose and seek approval in relation to any actual or potential conflict of interest to IHP pursuant to paragraph 4 below; and

4. **Approval Requirement**

- 4.1. Directors and senior managers must inform the [Company Secretary/Chief Compliance Officer] and obtain written approval from the Board prior to:
 - (i) engaging in activities, financial interests or relationships which create a real or potential conflict of interest;
 - (ii) accepting any position as an officer or director (non-executive or otherwise) of an outside business concern; or
 - (iii) accepting to serve on the board of trustees or managing board of a bona fide charitable, educational or other non-profit organization.
- 4.2. The [Company Secretary/Chief Compliance Officer] will forward to the Board and copy the Managing Director any such requests and obtain necessary written approval from the Board. Where the [Company Secretary/Chief

Compliance Officer or Managing Director] is the person involved in paragraph 4.1(i) to (iii) above, he shall make his/her request directly to the Board and obtain necessary written approval from the Board prior to such engagement or acceptance.

- 4.3. No director or senior manager shall vote for or otherwise participate in the decision making process in relation to the determination or approval of any transaction where he/she has a conflict of interest or is otherwise involved.
- 4.4. Employees will be required to inform the [Company Secretary/Chief Compliance Officer] and obtain written approval from the [Company Secretary/Chief Compliance Officer] prior to:
 - (i) any activities, financial interests or relationships which create a real or potential conflict of interest;
 - (ii) accepting any position as an officer or director (non-executive or otherwise) of an outside business concern; or
 - (iii) accepting to serve on the board of trustees or managing board of a bona fide charitable, educational or other non-profit organization.
- 4.5. The [Company Secretary/Chief Compliance Officer] may approve any transaction as necessary or forward the approval requests to the Board where he deems it so necessary and shall report any such approval granted by him to the Board at the next Board meeting.
- 4.6. All Employees, Senior Managers or Directors shall provide to the [Company Secretary/Chief Compliance Officer] and (where relevant, the Board) all information and documents relating to any potential conflict of interest.
- 4.7. Where the affected individual is not certain whether or not a transaction or set of events would constitute a conflict of interest, such person shall provide the details of such transaction to the [Company Secretary/Chief Compliance Officer].
- 4.8. Any ongoing conflicts of interest existing prior to the date of this policy shall be promptly submitted for approval in accordance with the approval procedures in this paragraph 4.

5. **Register of Interests**

- 5.1. The [Company Secretary/Chief Compliance Officer] shall be responsible for maintaining the register of Employees, senior managers and directors interests, and will:
 - (i) record in the register all conflicts, interests, gifts and hospitality declared and/or approved; and
 - (ii) inform the Board of any amendments or additions to the register at the next Board meeting.
- 5.2. Where the Board is required to determine whether or not a potential or real conflict of interest exists, the Board shall arrive at our decision by simple majority of the directors present and voting, which directors shall exclude any persons involved in the conflict of interest situation.
- 5.3. Failure to declare an interest by any Employee, senior manager or director could lead to disciplinary action and/or summary dismissal.

SECTION B: RELATED PARTY TRANSACTIONS

6. Purpose

- 6.1. This section on Related Party Transactions sets out safeguards that apply to:
- (i) transactions and arrangements between IHP and a "Related Party"; and
 - (ii) transactions and arrangements between IHP and any other person that may benefit a "Related Party".
- 6.2. The safeguards are intended to prevent a Related Party from taking advantage of its position and also to prevent any perception that it may have done so.

7. Definitions

- 7.1. An "**Associate**" means:

- (i) in relation to a director, Substantial Shareholder, or person exercising significant influence who is an individual:
 - (a) an Immediate Family Member (as defined in paragraph 2(xii) above) of the individual;
 - (b) the trustees (acting as such) of any trust of which the individual or any of the individual's family is a beneficiary or discretionary object (other than a trust which is either an occupational pension scheme or an employees' share scheme which does not, in either case, have the effect of conferring benefits on persons all or most of whom are related parties;
 - (c) any company in whose equity securities the individual or any member or members (taken together) of the individual's family or the individual and any such member or members (taken together) are directly or indirectly interested (or have a conditional or contingent entitlement to become interested) so that they are (or would on the fulfilment of the condition or the occurrence of the contingency be) able:
 - to exercise or control the exercise of 30% or more of the votes able to be cast at general meetings on all, or substantially all, matters; or
 - to appoint or remove directors holding a majority of voting rights at board meetings on all, or substantially all, matters.

For the purpose of paragraph 7(i)(c), if more than one director of IHP or any of its subsidiary undertakings is interested in the equity securities of another company, then the interests of those directors and their associates will be aggregated when determining whether that company is an associate of the director.

- (ii) in relation to a director, Substantial Shareholder or person exercising significant influence, which is a company:
 - (a) any other company which is its subsidiary undertaking or parent undertaking or fellow subsidiary undertaking of the parent undertaking;

- (b) any company whose directors are accustomed to act in accordance with the directors, Substantial Shareholder's or person exercising significant influence's directions or instructions.

7.2. A "**Related Party**" means:

- (i) a person who is (or was within the 12 months before the date of the transaction or arrangement) a Substantial Shareholder; or
- (ii) a person who is (or was within the 12 months before the date of the transaction or arrangement) a director or shadow director of IHP or of any other company which is (and, if he has ceased to be such, was while he was a director or shadow director of such other company) its subsidiary or parent company or a fellow subsidiary of its parent company; or
- (iii) a person exercising significant influence; or
- (iv) an Associate of a Related Party referred to above
- (v) an entity on whose Board or senior management sits a Related Party or an Associate of our Related Party.

7.3. A "**Related Party Transaction**" means:

- (i) a transaction (other than a transaction of a revenue nature in the ordinary course of business) between IHP and a Related Party; or
- (ii) an arrangement pursuant to which IHP and a Related Party each invests in, or provides finance to, another undertaking or asset; or
- (iii) any other similar transaction or arrangement (other than a transaction of a revenue nature in the ordinary course of business) between IHP and any other person the purpose and effect of which is to benefit a Related Party,

in which the aggregate amount involved will or may be expected to exceed USD [N 100 million] in any financial year.

7.4. A "**person exercising significant influence**" means in relation to IHP, a person or entity which exercises significant influence over IHP.

7.5. A "**Substantial Shareholder**" means any person who is entitled to exercise or to control (directly or indirectly) of 10% or more of the votes able to be cast on all or substantially all matters at general meetings of IHP (or of any company which is its subsidiary undertaking or parent undertaking or of a fellow subsidiary undertaking of its parent undertaking).

8. **Approval of a Related Party Transaction**

8.1. Each Employee, senior manager and director shall promptly notify the [Company Secretary/Chief Compliance Officer] prior to he or she or any Immediate Family Member entering into (whether directly or indirectly) a Related Party Transaction. The notice shall include a description of the proposed transaction and the aggregate amount involved.

8.2. If the Related Party Transaction involves an Employee (or an Immediate Family Member of an Employee) and is valued at less than N1, 000,000 then the [Company Secretary/Chief Compliance Officer] shall determine whether the transaction should be approved or not, and keep a record of all such

decisions and the reasons for any approvals granted or declined. The [Company Secretary/Chief Compliance Officer] will report to the Board at the next Board meeting any Related Party Transactions he or she reviews and/or approves.

- 8.3. If the Related Party Transaction involves: either (i) a senior manager or a director (or an Immediate Family Member of a senior manager or a director); or (ii) an Employee (or an Immediate Family Member of an Employee) and is valued at more than N 1 million, then the [Company Secretary/Chief Compliance Officer] shall promptly refer the matter to the Board for approval. The Board shall keep a record of all such decisions and the reasons for any approvals granted or declined.
- 8.4. No director shall participate in any Board discussion or approval of a Related Party Transaction for which he or she or any member of his or her Immediate Family Member is a Related Party, except that the director shall provide all material information concerning the Related Party Transaction to the Board. The director's ineligibility to vote on the Related Party Transaction shall be reflected in the minutes of the meeting and such director shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.

9. **Criteria for approving a Related Party Transaction**

In determining whether to approve, ratify, disapprove or reject a Related Party Transaction, the [Company Secretary/Chief Compliance Officer] or the Board, as appropriate, shall take into account:

- (i) whether the Related Party Transaction is entered into on terms no less favorable to IHP than terms generally available to an unaffiliated third-party under the same or similar circumstances;
- (ii) the business reasons for IHP to enter into the Related Party Transaction;
- (iii) the materiality of the Related Party Transaction to IHP;
- (iv) the extent of the Related Party's interest in the Related Party Transaction;
- (v) if applicable, the impact of the Related Party Transaction on a non-employee director's independence;
- (vi) the actual or apparent conflict of interest of the Related Party participating in the Related Party Transaction;
- (vii) whether the transaction involves the sale of an asset, a description of the asset, including the date it was acquired and its costs basis;
- (viii) whether there was a bidding process and the results thereof; review of the valuation methodology used and alternative approaches to valuation of the transaction;
- (ix) the terms of the Related Party Transaction particularly any provisions or limitations imposed as a result of entering into the proposed transaction;
- (x) whether the Related Party Transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction; and
- (xi) any other relevant information that they may require regarding the Related Party Transaction.

10. **Related Party Transactions not approved under this Policy**

- 10.1. In the event IHP becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Board.
- 10.2. The Board shall consider all of the relevant facts and circumstances regarding the Related Party Transaction, including the items listed in paragraph 9 above, and shall evaluate all options available to IHP, including ratification, revision or termination of the Related Party Transaction.
- 10.3. The Board shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Board under this Policy, and shall take such actions that it deems appropriate.

11. **[Existing Related Party Transactions**

Any conflicts of interest existing prior to the date of this policy shall be promptly submitted for approval in accordance with the procedures laid down herein.]