

*Cave Shepherd & Co*

**INSIDER TRADING POLICY**

## **Insider Trading Policy Manual**

<b>Subject</b>	<b>Insider Trading Policy Manual</b>
<b>Approved by</b>	<b>Board of Directors</b>
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### **Policy Statement**

As a publicly traded company in Barbados Cave Shepherd & Co. Limited (“Cave Shepherd”), its Board of Directors (“the Board”) and Senior Management are committed to upholding investor confidence in the fairness and integrity of the securities market. Consequently, by this Insider Trading Policy (“this Policy”), Cave Shepherd issues these guidelines to deter improper trading by insiders (trading based on material undisclosed information) and to ensure compliance with all securities legislation and guidelines issued by regulatory bodies.

Insider trading rules are designed to protect investors who are not insiders. They seek to ensure that there is timely disclosure of material information by companies to all their investors thereby securing and safeguarding a level platform for all investors to make informed investment decisions. In addition, these rules are also intended to ensure that anyone who has access to material non-public information with respect to any securities does not participate in, or assist in the participation of transactions with those securities to the detriment of other investors generally.

The principles underlying this Policy therefore are integrity, honesty and the promotion of ethical conduct in dealings with shareholders, investors and other stakeholders. Cave Shepherd and its directors, officers and employees must act in a manner that does not misuse material financial or other information that has not been publicly disclosed. This Policy has therefore been developed to ensure the highest ethical standards of corporate conduct and to prevent even the appearance of improper conduct and to avoid actual or apparent conflict of interests.

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## **Insider Trading Policy Manual**

### **1. INTRODUCTION**

#### **1.1. *What is Insider Trading/Dealing?***

Insider dealing occurs when an individual or an organization buys or sells securities while knowingly in possession of some piece of confidential information which is not generally available and which is likely, if made available to the general public, to materially affect the price of these securities.

#### **1.2. *Who is an Insider?***

An insider is someone who because of the nature of his position within Cave Shepherd possesses material information of Cave Shepherd's operation. An insider is:

- a) a director or officer of Cave Shepherd;
- b) an employee of Cave Shepherd whose position may reasonably give him access to material information or price sensitive information and it is expected that he shall not disclose such information except in the performance of his duties;
- c) a person who beneficially owns more than ten per cent (10%) of the equity securities of Cave Shepherd or who exercises control or direction over more than ten per cent (10%) of Cave Shepherd securities;
- d) a person whose relationship with Cave Shepherd may reasonably give him access to material or price sensitive information (this relationship includes personal and/or professional/business relationships);
- e) any person described in (a) to (d) above who within the previous six (6) months has been knowingly connected with Cave Shepherd; and
- f) a person who is informed of material information and/or price sensitive information by a person described in (a) to (e) above and who has knowledge that the informant is an insider (otherwise known as "tipping").

### **2. WHAT IS A MATERIAL FACT OR INFORMATION?**

Material fact or information is defined as any fact or information that has not yet been published and is not otherwise generally available; and if publicly known would be likely to:

- a) Impact the price or value of Cave Shepherd's securities;

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- b) Induce an individual to act upon knowledge in deciding to deal in Cave Shepherd's securities.

Consequently, the materiality of a fact or information depends upon the circumstances. A fact is considered "material" if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy, sell or hold a security; or where the fact is likely to have a significant effect on the market price of the security. Material fact or information can be positive or negative and can relate to virtually any aspect of Cave Shepherd's business or to any type of security – debt or equity.

While it may be difficult to determine whether a fact or information is material, there are various categories of information that are particularly sensitive and, as a general rule, should always be considered and treated as material. The following list of examples is by no means exhaustive but merely seeks to provide guidance on the type of information which should be treated as material and sensitive:

- Interim and annual financial performance;
- Impending bankruptcy or financial liquidity problems;
- Significant changes in dividend policy;
- Planned share splits, share consolidations, share exchanges;
- Significant increases or decreases in near term-earning prospects;
- Changes in value or composition of assets;
- Major re-organisation, amalgamation or mergers;
- Major changes in investment policies;
- Major changes in corporate objectives;
- New, pending or proposed debt or equity offerings;
- Any major shifts in cash flow, asset write offs or write-downs;
- Changes to the Board of Directors or Senior Management (including Chief Executive Officer, Corporate Secretary, Chief Financial Officer or persons in equivalent positions);
- Delisting and listing of shares;
- Significant changes in capital investment plans;
- Material changes in accounting policies;

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- Changes to or creation of new prospectuses; or
- Delisting and listing on stock exchanges.

### **3. CONFIDENTIALITY OF NON-PUBLIC MATERIAL INFORMATION**

Non-public material information relating to Cave Shepherd is the property of Cave Shepherd and the unauthorized disclosure of such information is forbidden.

Directors, officers and employees should not discuss non-public material information with anyone outside of Cave Shepherd except as required in the performance of their regular employment duties; nor should Cave Shepherd's matters be discussed in public or quasi-public areas where conversations may be overheard. This prohibition also applies to inquiries about Cave Shepherd which may be made by the press, investment analysts or others in the business community.

It is important that all such communications on behalf of Cave Shepherd be made only through designated authorized individual(s) (as advised from time to time). If employees receive inquiries of this nature they should decline comment and refer the inquirer directly to Cave Shepherd's designated individual(s) responsible for such inquiries.

### **4. PROHIBITIVE ACTIONS OF AN INSIDER**

An insider is prohibited from dealing with material non-public facts or information and/or during a black out period which is defined below at Section 4.2.

#### **4.1 *No trading on or tipping of material non-public facts or information***

In general, an insider is under a duty to keep material non-public facts or information confidential. He must not communicate such information to anyone until it is disclosed publicly unless he discloses same in the necessary course of business in the proper performance of his duties and responsibilities in Cave Shepherd.

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Consequently;

- a) No director, officer or employee of Cave Shepherd shall trade, directly or indirectly through family members or other person or entities in Cave Shepherd shares and/or securities unless the director, officer or employee is sure that he does not possess material non-public information.
- b) No director, officer or employee of Cave Shepherd shall disclose such information to others who might use it for trading or might pass it along to others who might trade. This practice known as ‘tipping’ also can result in the same penalties as trading even though you did not trade (and did not gain any benefit from another trader).
- c) Directors, officers and employees of Cave Shepherd shall not trade, directly or indirectly through family members or other person or entities, in shares and/securities of any other firm (including, without limitation, a current or prospective Cave Shepherd customer, supplier, joint venture participant, partner, or party to a potential corporate transaction) unless they are sure that they do not possess any material non-public facts or information about that firm which they obtained in the course of their employment with Cave Shepherd, such as information about a major contract or merger being negotiated. Information that is not material to Cave Shepherd may nevertheless be material to the other firm.
- d) An insider with material non-public information or price sensitive information is prohibited from counseling, procuring or otherwise advising any person to deal in Cave Shepherd’s securities or the securities of any other issuer;

### ***4.2 No dealing during a black out period***

Generally, a **black out period is any period in which insiders will be prohibited from trading due to material developments within Cave Shepherd.** It is also deemed to exist for a minimum period prior to the announcement of Cave Shepherd’s financial results; and prior to the announcement of matters of a nature involving price sensitive information and/or material information which has not been disseminated to the public and which is likely to affect Cave Shepherd’s share price or impact on market sentiment.



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Generally, Cave Shepherd's Black-Out Periods start fifteen (15) days after the end of each quarter and end twenty-four (24) hours after the announcement or public disclosure or release of its quarterly, semi-annual or annual financial year results.

**Table 1**  
**Black-out Periods for Cave Shepherd & Co. Limited**

<b>End of Key Financial Periods</b>	<b>Black Out Periods</b>	<b>Safe Periods</b>
31 <sup>st</sup> December (final)	15 <sup>th</sup> January – 24 hours after publishing	24 hours after publishing - 14 <sup>th</sup> April
31 <sup>st</sup> March (1 <sup>st</sup> quarter)	15 <sup>th</sup> April – 24 hours after publishing	24 hours after publishing - 14 <sup>th</sup> July
30 <sup>th</sup> June (half year)	15 <sup>th</sup> July – 24 hours after publishing	24 hours after publishing - 14 <sup>th</sup> October
30 <sup>th</sup> September (3 <sup>rd</sup> quarter)	15 <sup>th</sup> October – 24 hours after publishing	24 hours after publishing - 14 <sup>th</sup> January

In addition to the above mentioned black periods, the Corporate Secretary may from time to time impose other black-out periods upon notice to those persons who are affected.

### **5. EXCEPTIONS**

The following are the circumstances in which an insider is entitled to deal in Cave Shepherd securities irrespective of the prohibitions mentioned above:

- a. The purchase shares and/or securities through employee profit sharing or share ownership plans established for all employees. However, the concurrent sale of Cave Shepherd shares and/or securities to fund this transaction is not permitted. Shares and/or securities so purchased must be held until the termination of the black-out period.
- b. The making of purchases or sales in a company's securities in accordance with a pre-existing written arrangement; and, if such a transaction was approved in advance by the Board.

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- c. The entering into a transaction in the course of the exercise, in good faith, of his functions as liquidator, receiver or trustee in bankruptcy;
- d. The broker or trader receives information in the ordinary course of business and he acts in good faith in respect of that business.
- e. Where the insider tries to facilitate the completion or carrying out of the transaction

### **6. NOTIFICATION and CLEARANCE**

- a. An insider is prohibited from dealing in Cave Shepherd's shares without first notifying the Corporate Secretary.
- b. If the Corporate Secretary determines that the trade is about to occur during a prohibited period and is not an exception, the Corporate Secretary shall immediately so advise the insider.
- c. The Corporate Secretary shall keep a record of notices received and clearances given and the dealings of all insiders.

### **7. POLICY VIOLATIONS and PENALTIES**

If you violate this Policy, Cave Shepherd may take disciplinary action, including dismissal for cause.

Under the securities legislation it is an offence to commit a breach of the sections relating to insider dealings. Breach of Section 116 of the Securities Act (which outlines the circumstances prohibiting the buying or selling of securities by certain persons) leads to the following penalties:

- summary conviction – a fine of BDS\$50,000 or imprisonment for 6 months or both
- indictment – a fine of BDS\$200,000 fine or imprisonment for 2 years or both

Section 310 of the Companies Act provides that an insider is liable to compensate any person for any direct loss the person suffers because of the insider's trading. In addition, the insider is also liable to Cave Shepherd for any benefit or advantage gained as a result of insider trading.

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### **8. INDIVIDUAL RESPONSIBILITY**

Persons subject to this Policy have ethical and legal obligations to maintain the confidentiality of information about Cave Shepherd and not to trade in Cave Shepherd's shares and/or securities while in possession of material non-public information or price sensitive information. In all cases, the ultimate responsibility for adhering to this Policy and avoiding improper trading rests with you and any action on the part of Cave Shepherd, Directors, Chief Executive Officer, Corporate Secretary pursuant to this Policy does not in any way constitute legal advice or insulate an individual from liability under applicable securities laws.

### **9. AMENDMENTS TO POLICY**

This Policy may be amended from time to time by the Board of Directors of Cave Shepherd & Co. Limited.

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**EMPLOYEE AGREEMENT**

1. I confirm that I have received, read and understood the Insider Trading Policy (or “this Policy”) and understand that it forms part of the terms and conditions of my employment.
2. I confirm that I shall act at all times in accordance with this Policy and any amendments advised from time to time.
3. I confirm that I understand that it is my responsibility to contact my supervisor or a manager if I require guidance in applying this Policy to a particular situation.
4. I confirm that I understand my obligations under this Policy to report potential or apparent violations of law or of this Policy, or incidents of questionable practice, either through the usual chain of command or, in the event that I feel more comfortable in doing so, directly to:
  - The Chief Executive Officer, Corporate Secretary, Chief Financial Officer; or
  - The Board of Directors, if the circumstances warrant this.
5. I confirm that I have read and understood Cave Shepherd & Co. Limited’s Insider Trading Policy and I agree to comply with this Policy.

NAME (BLOCK): \_\_\_\_\_

JOB TITLE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

WITNESS: \_\_\_\_\_

DATE: \_\_\_\_\_