

FIDELITY BANK PLC

INSIDER TRADING POLICY

Insider Trading Policy

This Insider Trading Policy has been reviewed and approved by the Board:

Name	Designation	Signature	Date
Recommended by: Mrs. Nneka Onyeali-Ikpe	Managing Director/Chief Executive Officer		28/10/2021
Recommended by: Mr. Henry Obih	Chairman, Board Corporate Governance Committee		28/10/2021
Approved by: Mr. Mustafa Chike-Obi	Chairman, Board of Directors		28/10/2021

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Glossary of Terms

Acronyms	Definition
AGM	Annual General Meeting
Board	Board of Directors
BOFIA	Banks and other Financial Institutions Act
CAC	Corporate Affairs Commission
CAMA	Companies and Allied Matters Act, 2020
CBN	Central Bank of Nigeria
Director	Director of the Board
ED	Executive Director
ISA	The Investments and Securities Act, 2007
MD	Managing Director
NED	Non-Executive Director
SEC	Securities and Exchange Commission
NGX	NGX Regulation Limited

Vision:

To be No. 1 in every market we serve and for every branded product we offer.

Mission:

To make financial services easy and accessible to our customers.

Our Shared Values – CREST

C – Customer First
R – Respect
E - Excellence
S – Shared Ambition
T - Tenacity

1 Introduction

Insider trading occurs when a person or group of persons in possession of confidential and price sensitive information not generally available to the public, utilise such information to buy and sell securities for the benefit of themselves or any other person. Insider trading disrupts the purpose of good corporate governance practice as it undermines the confidence of investors in the fairness and integrity of the securities market.

2 Objective

The purpose of this policy is to achieve the following objectives:

- (a) Promote compliance with the provisions of the Investments and Securities Act (ISA), Security and Exchange Commission Code of Corporate Governance, Listing Rules of the NGX Regulation Limited (NGX) as well as other applicable regulatory requirements;
- (b) To ensure that all persons to whom this policy applies, who have material non-public information do not engage in insider trading or tipping;
- (c) Ensure that all the Bank's employees and Directors comply with utmost secrecy and confidentiality on all information which they receive as a result of their position within the Bank; and
- (d) To protect the Bank and its staff from reputational damage, fines and levies that may be imposed by regulators as a result of improper identification, disclosure and management of insider trading activities.

3 Definitions

For the purpose of this policy, the following definitions and interpretations are used:

3.1 Insider

Fidelity Bank has defined an Insider to include:

- a) A Director or Employee of the Bank or person involved in a professional or business relationship with the Bank any time since the beginning of the Bank's financial year;

- b) a substantial shareholder holding 4% or more of the Bank's shares represented on the Board by one (1) or more of the Non-Executive Directors;
 - c) connected persons to (a or b) above;
 - d) members of the Shareholders Audit Committee;
- who by virtue of having been connected with the Bank as mentioned in paragraph "a" have obtained unpublished price sensitive information in relation to the securities of the Bank.

3.2 **Connected Persons**

Connected persons are defined as including:

- a. Members of immediate family i.e. spouse or spousal equivalent, son, daughter, mother, father, the spouse of a relative and other close dependants.

3.3 Material information means any fact, matter, circumstances or information that is not generally available and if generally available, will influence a reasonable investor in making a decision to buy, sell or hold a security or, any information that may significantly change/affect the market price of the Bank's securities, such as information on:

- a) actual profit results;
- b) internal forecasts of profit results;
- c) details of new products or substantial new business contracts;
- d) changes in the corporate structure, such as reorganisations, dissolutions and changes in the general nature or character of the Bank including alteration of its Memorandum or Articles of Association;
- e) insolvency or bankruptcy;
- f) take-over bids or issuer bids;
- g) major corporate acquisitions or dispositions;
- h) changes in capital structure and financial year end;
- i) changes in share ownership that may affect the control of the Bank;
- j) increase/decrease in dividends;
- k) proposed redemptions or other repurchases of the Bank's securities;
- l) major alterations in asset value or make-up;

- m) major changes in operating and financial facts, such as reduction of cash flow or write-offs;
- n) changes in directorate or significant management changes including appointment, resignation, dismissal or death of a principal officer. Principal Officer includes Directors, Chief Executive Officer, Chief Risk Officer, Company Secretary, Chief Audit Executive, Chief Financial Officer, and Chief Compliance Officer;
- o) the declaration of a stock split or the offering of additional securities;
- p) potential/defaults under the Bank's credit agreements or the existence of material liquidity deficiencies;
- q) material litigations; and
- r) material government investigations.

3.4 Non-public information means information that is not generally known or available to the public.

4 Scope of the Policy

The scope of the policy spans restricted persons and restricted products:

4.1. Restricted Persons:

- a) The Directors and Employees of the Bank
- b) Connected persons
- c) Members of the Shareholders' Audit Committee
- d) Shareholders holding greater than or equal to 4% of the issued share capital of the Bank.

4.2. Restricted Products

Restricted products include purchases and sales of the shares and derivative securities of the Bank.

5 Trading Window

This is a period in which the Bank permits Insiders to trade in its shares. The Bank through the Company Secretary shall specify a trading period from time to time, for trading in the Bank's securities. The trading window shall be closed during the time information referred to as non-public information is unpublished.

The trading window shall be closed at the time of:

- (a) declaration of financial results (quarterly, half-yearly and annually);
- (b) declaration of dividends (interim and final);
- (c) issue of securities by way of public offer or rights or bonus issue;
- (d) any major expansion plans, winning of bids or execution of new projects;
- (e) amalgamation, mergers, takeovers and buy-back;
- (f) disposal of the whole or a substantial part of an undertaking;
- (g) any changes in policies, plans or operations of the Bank that are likely to materially affect the price of its securities;
- (h) Litigation or disputes with a material impact; and
- (i) Any information which if disclosed, in the opinion of the person disclosing same, is likely to materially affect the prices of the securities of the Bank.

The trading window shall be closed for 15 days prior to the date of any Board meeting proposed to consider any of the above matters or the date of circulation of the agenda of the meeting pertaining to any of the above matters, whichever is earlier and shall be opened 24 hours after non-public information is made public.

6 Blackout Period

A trading blackout period is a specific period of time when Insiders are prohibited from trading in the Bank's securities, except for specific exceptions. When the trading window is closed, Insiders shall not trade in the Bank's securities during such period. The date for beginning the blackout periods shall be announced by the Company Secretary.

In this Code, a "Closed Period" shall commence when same is formally declared by the Company Secretary in accordance with the provisions of the Bank's Insider Trading Policy. Notwithstanding the other circumstances when a closed period may be declared, the trading window for dealing in the Bank's shares shall be closed during the following periods in each financial year:

- (a) From the 1st day of April until twenty-four (24) after the Bank's unaudited account for Q1 is published on the trading floor of Nigeria Exchange Group (NGX).
- (b) From the 1st day of June until twenty-four (24) after the Bank's audited account for H1 is published on the trading floor of NGX.
- (c) From the 1st day of October until twenty-four (24) after the Bank's unaudited account for Q3 is published on the trading floor of NGX.

(d) From the 1st day of December until twenty-four (24) after the Bank's audited account is published on the trading floor of NGX.

The trading window shall also be closed on the earlier of fifteen (15) days prior to the date of, or the date of circulation of agenda papers for, a Board meeting proposed to consider Price Sensitive Information and shall last up to twenty-four (24) hours after the Price Sensitive Information is submitted to the NGX.

Price Sensitive Information as defined by the NGX include the following;

- ✓ Changes in the Directorate of the issuer
- ✓ The death, resignation, dismissal or appointment of a principal officer
- ✓ Change in the Accounting year end
- ✓ Annual and Interim results or any recommendations or decision that dividends or scrip issues will or will not be made
- ✓ Profit warnings or change in the financial forecast or expectation
- ✓ Proposed capital raising or restructuring exercise or changes in the capital structure.
- ✓ Giving or receiving a notice of intention to make a takeover or mergers, or acquisitions or tender offers or divestments;
- ✓ Any proposed change in the business model or general character or nature of the business of the company or of the group;
- ✓ Major new developments in the issuer's sphere of activities including major new products, contract awards and expansion plans.
- ✓ Any change in voting control or in beneficial ownership of the securities carrying voting control
- ✓ Items of unusual or non-recurrent nature
- ✓ Any proposed alteration of the Memorandum or Articles of Association;
- ✓ Any other information necessary to enable shareholders to appraise the position of the company and to avoid the establishment of a false market in the shares of the company.

7 Policy Statements

- 7.1 No Insider who is aware of inside information shall, directly or indirectly, engage in any action to take personal advantage of such information, until such information is published.
- 7.2 Directors and employees of the Bank shall not trade on insider information, directly or through connected persons or other persons or other entities, if they are aware of material non-public information relating to the Bank.
- 7.3 The existence of a personal financial emergency is not an excuse for non-compliance with this policy.
- 7.4 Any Director or employee of the Bank that liaises with industry analysts or business journalists shall not give them any inside information about the Bank, or confirm with them any suspicions, which they may have, even if these suspicions are based on the industry analysts or business journalists' research and analysis.
- 7.5 Insiders shall conduct all their dealings in the securities of the Bank only in a valid trading window, and shall not deal in any transaction involving the purchase or sale of the Bank's securities during the blackout periods which shall be communicated by the Company Secretary.
- 7.6 Insiders may freely buy or sell the Bank's securities during the transfer window periods as long as they are not in possession of material non-public information.
- 7.7 Insiders shall notify the Bank through the Company Secretary of the occurrence of any transactions conducted on their own account in the shares of the Bank, on the day the transaction occurred and the Company Secretary shall maintain a records of such transactions.
- 7.8 The Bank, through the Company Secretary shall maintain an Insider List, detailing its employees and other relevant persons with access to inside information, the reason why they have access, the date on which they first had access to inside information, the date on which the List was created and details of any changes to the List.
- 7.9 The Insider List shall be filed quarterly with the NGX.
- 7.10 The Bank shall regularly publish the Insider Trading Policy in its internal communications and on its website and shall make such other disclosures regarding this policy as may be required by any law or regulation.
- 7.11 No Insider shall disclose inside information to third parties other than as may be required by any law or regulation that it is mandatory to comply with (including, without limitation, any anti-money laundering laws and regulatory policies or as may be required on a "need-to-know" basis) in the normal course of employment or engagement.

- 7.12 The Bank may give inside information in strict confidence to its external advisers and to persons with whom it is negotiating a transaction or raising finance in the ordinary course of business. In such cases, the Bank shall advise the recipients of such information, in writing, that the information is confidential and constitutes inside information as defined in the Investment & Securities Act and that the recipients should not deal with the information before it has been made available to the public.
- 7.13 Insiders who are unsure whether they may trade in a given circumstance are advised to contact the Company Secretary.
- 7.14 No Insider shall purchase or sell securities or recommend that another person purchase or sell the securities of another company if the person learns of material non-public information about the other company in the course of his/her employment with the Bank.
- 7.15 Prohibitions on trading activities generally occur during the following periods and may also occur during times that the officers of the Bank deem appropriate:
- Quarterly, Interim and Annual disclosures of financial results: The Bank's announcement of its quarterly financial results almost always has the potential to have a material effect on the price of the Bank's securities in the stock market. In addition, Insiders will, during that period, often possess material non-public information about the expected financial results for the quarter; and
 - Event Specific Trading Suspensions: From time to time, the Bank may also recommend that Insiders suspend trading because of developments known to the Bank and not yet disclosed to the public. In such event, Insiders are advised not to engage in any transaction involving the purchase or sale of the Bank's securities during such period and neither should they disclose to others, the fact behind the blackout period.
- 7.16 Breach of this Insider Trading Policy shall be subject to clawback in accordance with the provisions of the Bank's Remuneration Clawback Policy which is hereby incorporated by reference.

8 Responsibility

The Company Secretary shall be responsible for monitoring Directors insider activities.

9 Review of Policy

The Corporate Governance Committee shall review and re-assess this Policy at least every three (3) years or earlier as required and make recommendation to the Board in relation to required changes.

