

# The Alternative Bank (ALTBANK)

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## INSIDER TRADING POLICY

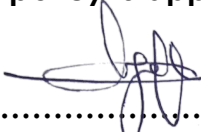
ALTBANK/CSG/ITP/2024/0001

<b>Policy number</b>	ALTBANK/CSG/ITP/2024/0001
<b>Policy Owner</b>	Company Secretariat Group
<b>Policy Status</b>	Version 1
<b>Date Signed Off</b>	May 2024
<b>Review Frequency</b>	36 Months
<b>Next Review Date</b>	May 2027

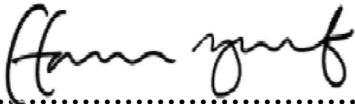
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This policy is approved by

A handwritten signature in blue ink, appearing to be 'J. H.', positioned above a dotted line.

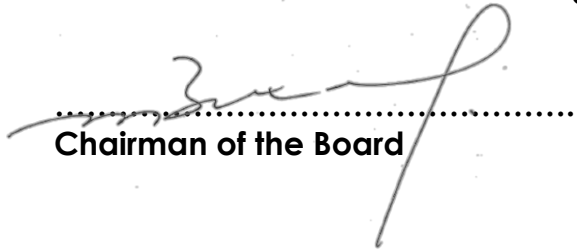
Ag. Secretary to the Board

A handwritten signature in black ink, appearing to be 'H. van der', positioned above a dotted line.

Managing Director

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Chairman of the Board Risk Management Committee

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Chairman of the Board

## INSIDER TRADING POLICY

### 1. DEFINITIONS

The following terms shall have the following meanings unless the context otherwise requires:

**“Audit Committee”** means the Board Audit Committee of The Alternative Bank Limited (Bank).

**“Closed Period”** has the meaning given to it in the Nigeria Exchange Limited's Rulebook as may be amended from time to time. By virtue of Rule 17(18) of the NGX's Rulebook, amended, a closed period refers to the trading window when Insiders are restricted from transacting in the products or securities of their issuers.

**“Connected Persons”** shall mean a family member who could be influenced by an Insider in his/her dealing with the Bank's products. This also includes those parties (agents and nominees) over whose trading activity the Insider has a direct or indirect beneficial interest, control or investment influence.

**“Dealing”** means:

- a) any sale or purchase of, or agreement to sell or purchase any Products of the Holdco;
- b) the grant to, or acceptance by such a person, of any option relating to such Products or of any other right or obligation, present or future, conditional or unconditional, to acquire or dispose of any such Products;
- c) the acquisition, disposal, exercise or discharge of, or any dealing with, any such option, right or obligation in respect of such Products;
- d) dealings between directors and/or employees of the Bank;
- e) Over the Counter dealings;
- f) Off-Market Dealing; and
- g) transfers for no consideration.

**“Director”** means any person who occupies the position of a Director in The Alternative Bank or a related company and includes both Executive and Non-Executive Directors;

**“Employee”** means any person engaged under a contract of employment with The Alternative Bank or a related company and any other persons engaged by a third-party service provider or outsourcing agency to provide support services to The Alternative Bank or any of its related parties;

**“Insider”** has the meaning given to it in the Investment and Securities Act as well as the Nigerian Exchange Limited's Rule Book. For the purpose of this policy, it refers to an individual who is privy to price sensitive information and:

- a) Who is connected with the Bank during the preceding 6 (six) months in one of the following capacities:
  - i. a director of the Bank or a related company
  - ii. an officer of the Bank or a related company
  - iii. an employee of the Bank or a related company
  - iv. a person involved in a professional or business relationship with the Bank as above
  - v. a shareholder who owns 5% or more of any class of Products or any person who can be deemed to be an agent of any of the above listed persons; and
  - vi. members of the audit committee
  
- b) who by virtue of having been connected with the Bank as mentioned in paragraph "a" has obtained unpublished price sensitive information in relation to the Products of the Bank.

**"Insider Trading"** occurs when a person or group of persons in possession of price sensitive information or other confidential information not generally available to the public, utilizes such information to buy or sell products for the benefit of himself, itself or any person.

**"Insider Information"** means information relating directly or indirectly to the Bank's Products, plans or finances, which has not been made public and which is obtained or learned as an insider; and if it were made public would be likely to have a material effect on the price or value of any product listed on the regulated market.

**"Key Management Personnel"** are those persons in addition to Directors who have authority and responsibility for directing and controlling the daily activities of the Bank, staff are generally anyone in the employment of the Bank

Company Secretary;  
Chief Financial Officer (or such officer in charge of Finance in the Bank);  
Chief Compliance Officer;  
Chief Risk Officer;  
Chief Audit Executive;  
Chief Information Officer; and  
Director of Products and Innovation.

Anyone else who discharges managerial responsibility and/or works closely with the Key Management listed above or by virtue of responsibility has access or is in possession of Price Sensitive Information.

**"Price Sensitive Information"** includes but is not limited to the following.

- i. Declaration of the Holdco's financial results (quarterly, half-yearly and full year);
- ii. Declaration of dividends (interim and final) by the Holdco;
- iii. Issue of the Holdco's products by way of public offer or rights or bonus, etc.;

- iv. Any major expansion plans or winning of bid or execution of new projects for example amalgamation, mergers, takeovers and buy-back;
- v. Disposal of the whole or a substantial part of the undertaking;
- vi. Any changes in policies, plans or operations of the Bank or Holdco that are likely to materially affect the prices of the products of the Holdco;
- vii. Disruption of operations due to natural calamities;
- viii. Litigation/dispute with a material impact.

**“Products”** includes shares, securities, debentures, bonds, financial products, and derivatives of Sterling Financial Holdings Company Plc (the Holdco), and its subsidiaries as may be listed and traded on the Nigerian Stock Exchange from time to time.

**“Related Company”** means any entity that is directly or indirectly controlled by, in control of or under common control with the Bank.

**“Sterling Financial Holdings Company Plc (Holdco)”** means the parent company of The Alternative Bank Limited.

## 2. INTRODUCTION

This policy sets out the guidelines for the sale and purchase of Sterling Financial Holdings Company (Holdco) Products by any insider, Director, Key Management Personnel and Staff of the Alternative Bank Limited (“the Bank”).

## 3. PURPOSE

The Policy defines what constitutes insider trading and provides a framework for compliance with the Central Bank of Nigeria (CBN) Corporate Governance Guidelines for Commercial, Merchant, Non-Interest and Service Payment Banks in Nigeria, the Securities and Exchange Commission (SEC) Rules, the Investment and Securities Act (ISA) and The Nigerian Exchange Limited (NGX) Issuers' Rules (as amended) on dealing with the Bank's Products by all Insiders.

The Policy aims to ensure that Insiders and their Connected Persons do not abuse privileged information or benefit from material non-public information at their disposal or which come to their possession during the course of their duties, especially at periods leading up to the announcement of Price Sensitive Information by the Holdco.

## 4. CONFIDENTIALITY

A person in possession of Price Sensitive Information about the Bank or the Holdco shall keep that information confidential and must not trade it or profit from it or disclose that information to any person. This confidentiality obligation applies to persons including external advisers, who had access to the information.

## 5. PROHIBITION

Insider trading is a criminal offence and may also result in civil liability. In broad terms, a person will be guilty of insider trading if:

- (a) That person who is in possession of some confidential and price sensitive information not generally available to the public, utilizes such information to trade in the Holdco's Products for his/its own account and for his/its benefit or makes such information available to a third party (either knowingly or unknowingly) who uses it for his/its benefits; and
- (b) That person:
  - (i) Buys or sells the Holdco's Products; or
  - (ii) Procures someone else to buy or sell the Holdco's Products; or
  - (iii) Passes on that information to a third party where that person knows, or ought reasonably to know, that the third party would be likely to buy or sell or procure someone else to buy or sell the Products of the Holdco.

## 6. GUIDELINES FOR TRADING IN THE HOLDCO'S PRODUCTS

### 6.1 Closed Period

All Insiders, (including Directors, Key Management Personnel, Advisers to the Bank, Employees) and their Connected Persons are prohibited from dealing in the Holdco's Products during Closed Periods

All Insiders must take reasonable steps to ensure that their Connected Persons inform them of any proposed dealing in Holdco's products during a Closed Period, so that they can seek prior clearance from the Company Secretary on behalf of their Connected Persons. Closed Periods are as defined below:

- a. The period from the end of the financial period under review (quarterly, half yearly and full year) and up to 24 hours after the financial results of Holdco have been released to The Exchange; or
- b. The period from the end of the financial period under review (quarterly, half yearly and full year) and up to 24 hours after dividend (interim or final) of Holdco is announced to The Exchange; or
- c. The period from 15 calendar days immediately preceding any meeting of the Board of Directors of the Holdco to consider any Price Sensitive Information and 24 hours after the release of the Price Sensitive Information to The Exchange.

### 6.2 No Short-Term Trading in the Holdco's Products

Insiders must never engage in short-term trading of the Holdco's Products for example buying and selling of shares within a period of 6 (six) months from the date of purchase.

### 6.3 **Products in Other Companies**

Buying and selling Products of other companies with which the Bank or Holdco may be dealing is prohibited where an individual possesses information which is not generally available to the market and is 'price sensitive'. For example, where an individual is aware that the Bank or Holdco is about to sign a major agreement with another listed company, Insiders are prohibited from purchasing Products of the Holdco or the other company.

### 6.4 **Permissible Trading During the Closed Period**

With the prior approval of The Exchange, trading may be permitted during a Closed Period only:

- a. To execute transactions pursuant to statutory or regulatory obligations or court orders;
- b. To exercise stock options under a pre-existing employee stock option scheme; and
- c. To execute large volume trades or block divestments between Insiders only.

The Exchange may refuse to grant approval for trading during a closed period, where it considers that such a trade, if allowed, will interfere with the fair and orderly functioning of its market.

### 6.5 **Notification of Closed Period**

The Holdco shall notify The Exchange in advance of the commencement of each closed period. The Company Secretary shall notify all Directors of the times when they are not permitted to buy or sell the Holdco's Products as set out in this policy. All other Employees including Key Management Personnel will be notified by Human Capital Management upon advice of the Company Secretary.

### 6.6 **Submission of Price-Sensitive Information:**

Price-sensitive information shall be submitted to The Exchange via its Issuers' Portal.

### 6.7 **General Restrictions**

This Policy continues to apply to transactions on the Holdco's Products and Securities even after termination of employment for a period of 6 (Six) months thereafter. If an employee is in possession of unpublished sensitive information



when his or her employment terminates, he or she may not trade in the Holdco's Products and Securities until that information has become public.

## **7 NOTIFICATION REQUIREMENTS**

### **7.1 Sales of Holdco Products and Securities**

Directors or Key Management Personnel in particular need to be mindful of the market perception associated with any sale of the Holdco's securities and possibly the ability of the market to absorb the volume of shares being sold. With this in mind, the management of the sale of any significant volume of the Holdco's securities (i.e. a volume that would represent a volume in excess of 5% of the total securities held by the seller prior to the sale, or a volume of the shares of the Holdco on The Exchange for the preceding 20 trading days) by a director or Key Management Personnel needs to be discussed with the Board and the Company Secretary prior to the execution of any sale. These discussions need to be documented and be retained by the Company Secretary.

### **7.2 The Exchange Notification for Directors**

The Nigerian Exchange Limited (NGX) Issuers' Rules require the Holdco to notify the Nigerian Exchange Limited within 48 hours after any dealing in Products of the Holdco (either personally or through a Connected person) which results in a change in the relevant interests of a director in the securities of the Holdco.

## **8 COMPLIANCE MONITORING**

It is the primary responsibility of Directors, Key Management Personnel and all employees to acquaint themselves with the provisions of this policy and ensure compliance with the terms thereof.

All Directors, key management personnel, and advisers of the Bank and their connected persons on the Products shall immediately notify the Company Secretary in writing of the occurrence of all 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 record of such transaction and make returns to the Exchange as so required.

The Compliance and Internal Audit Functions are responsible for ensuring compliance with the Policy.

Compliance with these guidelines for trading in the Holdco's Products does not absolve any individual from complying with the law, which shall be the overriding consideration when trading in the Holdco's Products.

## **9 REVIEW**

The above notwithstanding, the Board periodically reviews this policy with respect to the scope covered, considering the market realities and global best practices

to ensure compliance with the provisions by the various parties. However, the policy may be reviewed at the least, every three (3) years.

## **10 GENERAL**

This Policy or a summary will be published on the Bank's website in accordance with regulatory requirements.

All employees and Insiders are deemed to have completed the confirmation and declaration template set out in the Appendix.

## Appendix

### Insider Trading Policy – Confirmation and Declaration

To  
The Company Secretary  
The Alternative Bank Limited  
239, Ikorodu Road, Lagos

Through  
The Group Head, Human Capital Management  
The Alternative Bank Limited  
239, Ikorodu Road, Lagos

Name:  
Employee No  
Designation:  
Grade:  
Unit/Group/Department:

I have received a copy of the Insider Trading Policy of The Alternative Bank Limited and I confirm that I fully understand the requirements of this Policy and undertake to comply with the Policy.

I understand that a breach of this Policy could lead to disciplinary actions by the Bank.

Signed.