

**LIVINGTRUST MORTGAGE BANK PLC
SECURITIES TRADING POLICY**



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1.0 **The Purpose of This Policy**

This document sets out the rules relating to dealings by Directors and employees on the Company's securities to achieve the highest possible standards of corporate conduct and governance. This policy is also in compliance with the LTMB Regulations listing rules which requires that every listed Company should establish a Securities Trading Policy (STP). Accordingly, the Board of Livingtrust Mortgage Bank Plc (LTMB) has put in place a STP to establish a best practice procedure relating to dealing in Company Securities by its employees, directors and advisors.

Directors and employees are encouraged to be long term holders of the Company's securities. However, it is important that care is taken in timing of any acquisition or sale of such securities. The purpose of this STP is to assist Directors and employees to avoid trading when it is not permitted, conduct known as "insider trading" and to avoid any adverse inference being drawn of unfair dealings by Directors and employees.

2.0 **Scope of This Policy**

This STP applies to all Directors, Employees and External Advisors of the Company.

2.1 A reference in this STP to "**Company** Securities" includes:

- Ordinary shares in the Company
- Any other securities issued by the Company.

2.2 A reference in this STP to "deal" or "trade" in Company's Securities includes:

- Subscribing for, purchasing or selling Company Securities or entering into an agreement to do any of those things;
- Advising, procuring or encouraging "Persons closely connected" to trade in Company Securities.

All Insiders will be notified of closed periods through written or electronic communication from the Company Secretary. The Securities Trading Policy will be available on the website of the Company.

3.0 **Insider Prohibition**

3.1 The Nature of the Prohibition is based on definition of "Insider"

3.2 **How You Become Aware of the Information is Irrelevant**

It is irrelevant how the Insider came into possession of the information.

3.3 **Information Which Might Affect Price Value**

The Prohibition refers to "Unpublished Price Sensitive information" which, if generally available, might materially impact the price or value of the relevant securities.

3.4 **What Does Information Include?**

"Price Sensitive Information" includes matters of supposition or speculation and matters relating to the intentions or likely intentions of a person.

3.5 **What Information Might Materially Affect Price or Value?**

This means "Price Sensitive information" that a reasonable person would expect to have a material effect on the price or value of the relevant securities. A reasonable person would be taken to expect information to have a material effect on price or value if the information would be likely to influence persons who commonly invest in securities whether or not to do so

3.6 **What Does "Unpublished Information" Mean?**

"Unpublished" for this purpose means that the information is not generally available. Information is "generally available" if:

- a. It consists of readily observable matter; or
- b. It has been disseminated in a manner likely to bring it to the attention of investors and a reasonable period has elapsed since it was brought to the attention of investors; or
- c. It is derived from information that has been made public; or
- d. It consists of observations, deductions, conclusions or inferences made or drawn from other generally available information.

4.0 **Other Duties and Responsibilities**

Insiders of the Company are subject to the following duties:

4.1 **No Improper Use of Inside Information**

Insider must not make improper use of information acquired by virtue of his or her position to gain, directly or indirectly, an advantage for himself or herself or for any other person, or to cause detriment to the Company.

4.2 **No Gain by Improper Use of Position**

An Insider officer must not make improper use of his or her position to gain, directly or indirectly, an advantage for himself or herself or for any other person, or to cause detriment to the Company's Care and Diligence.

An Insider must exercise their powers and discharge their duties with the degree of care and diligence a reasonable person would exercise in the same circumstances.

4.3 **Good Faith**

Insiders must exercise their powers and discharge their duties in good faith in the best interests of the Company and for a proper purpose. An Insider commits an offence if they are reckless or are intentionally dishonest and fail to exercise their powers and discharge their duties in good faith in the best interests of the Company and for a proper purpose.

5.0 **Guidelines For Dealing in the Company's Securities**

5.1 **General Rule**

An Insider must not deal in the Company's securities when they are in possession of price sensitive information which is not generally available to the market.

5.2 **Times to Deal in the Company's Securities**

No Insider of the Company and their connected persons shall deal in the securities of the Company when the trading window is closed.

5.3 **No Short Term Trading in the Company's Securities**

No Insider should engage in short -term trading of the Company's Securities.

5.4 **Prohibition on Hedging**

No Insider should engage in hedging arrangements securities issued by the Company.

5.5 **Period of Closure**

The period of closure shall be effective from 15 days prior to the date of any meeting of the Board of Directors proposed to be held to consider any of the matters referred to above or the date of circulation of agenda papers pertaining to any of the matters referred to above, whichever is earlier, up to 24 hours after the price sensitive information is submitted to The Exchange.

5.6 **Closed Periods Notification**

The Bank will notify the NSE in advance of the commencement of each closed period.

5.7 **Permissible Trading**

Subject to the Insider trading provisions, insiders may at any time:

- Acquire ordinary shares in the Company by conversion of securities giving a right of conversion to ordinary share;
- Acquire Company securities under a bonus issue made to all holders of securities of the same class;
- Acquire Company securities under a dividend reinvestment, or top-up that is available to all holders or securities of the same class;
- Make an investment in, or trade in units of, a fund or other scheme (other than a scheme only investing in the securities of the Company) where the assets of the fund or other scheme are invested at the discretion of a third party;
- Trade under an offer or invitation made to all of the security holders, such as, a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board.

6.0 Responsibilities

6.1 Core Responsibilities

The Chairman and Company Secretary are responsible for maintaining this STP, a register of notifications to trade, approvals, restrictions and compliance with such notifications and approvals. A copy of this document will be distributed to all LTMB staff. The Company's induction process for new employees and directors requires a copy of this document to be provided to each new employee and director.

6.2 Compliance with this Policy

Compliance with the Policy set out in this document is mandatory. Any Staff who does not comply with this Securities Trading Policy will be considered to have engaged in serious misconduct which may result in the termination of their engagement by the Company.

In addition to the above, Infringement of the insider trading provisions can attract a substantial monetary penalty, imprisonment or both in accordance with the provisions of the Investments and Securities Act and the Post Listing Rules of the NGX Regulations Limited.

7.0 Glossary of Terms

Closed Periods

Any period during which trading is restricted shall be termed as a closed period. The closed period shall be at the time of:

- a. Declaration of Financial results (quarterly, half-yearly and annual)
- b. Declaration of dividends (interim and final)
- c. Issue of securities by way of public offer or rights or bonus, etc.
- d. Any major expansion plans or winning of bid or execution of new projects
- e. Amalgamation, mergers, takeovers and buy-back
- f. Disposal of the whole or a substantial part of the undertaking
- g. Any changes in policies, plans or operations of the Company that are likely to materially affect the prices of the securities of the Company.
- h. Disruption of operations due to natural calamities;
- i. Litigation/dispute with a material impact;
- j. 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.

Price Sensitive Information: Price sensitive information includes:

- a. Changes in the Directorate of the Issuer;
- b. The death, resignation, dismissal or appointment of a principal officer;
- c. Change in the Accounting year end;
- d. Annual and Interim Results or any recommendation or decision that dividends or

- scrip issues will or will not be made.
- e. Profit warnings or a change in the financial forecast or expectation;
 - f. Proposed capital raising or restructuring exercise or changes in the capital structure.
 - g. Giving or receiving a notice of intention to make a takeover or mergers, or acquisitions or tender offers or divestments;
 - h. Any proposed change in the business model or general character or nature of the business of the company or of the group;
 - i. Major new developments in the issuer's sphere of activities including major new products, contract awards and expansion plans.
 - j. Any change in voting control or in beneficial ownership of the securities carrying voting control
 - k. Items of unusual or non-recurrent nature
 - l. Any proposed alteration of the Memorandum or Articles of Association;
 - m. 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.

Insider

An Insider means an individual who is connected with the Company during the preceding six months in one of the following capacities:

- A director of the Company or a related company
- An officer of the Company or a related company
- An employee of the Company or a related company
- Person involved in a professional or business relationship with the Company as above.
- A shareholder who owns 5% or more of any class of securities or any person who can be deemed to be an agent of any of the above listed persons;
- Members of the Audit Committee.

Material Circumstance: means events or developments which bring about any circumstance in which an insider becomes aware of material price sensitive information.

Material Information: means information that is not generally available to the market; and if it were generally available to the market, it would have a material effect on the market price or value of the Issuer's listed securities. Material information consists of both material facts and material changes relating to the business and affairs of an Issuer.

Persons Closely Connected: This include an individual's spouse, relative or the spouse of a relative and other close dependents.

Principal Officers: This includes Directors, Company Secretary, Internal Auditor and other persons such as the Chief Executive Officer, Chief Finance Officer, Chief Compliance Officer and Chief Risk Officer.