

## **POLICY ON INSIDER TRADING**

Insider trading is defined as referring to buying or selling a security, in breach of a fiduciary duty or other relationship of trust and confidence, while in possession of material, non-public information about the security. As the Securities Regulations Code penalizes this act, Philtrust Bank adopted the Policy on Insider Trading to prevent unfair use of non-public information that are accessible only to directors, officers, stockholders, and some employees of the Bank.

Under the Policy, Bank directors, officers, stockholders, and employees who have knowledge of, or access to, material nonpublic information related to securities, are not allowed to use or share such information for purposes of trading securities. The following insider trading activities are specifically prohibited by the Bank, consistent with the provisions of the Securities and Regulations Code:

1. To sell or buy a security of the issuer while in possession of material information with respect to the issuer or the security that is not generally available to the public;
2. To communicate material nonpublic information about the issuer or the security to any person who, by virtue of the communication becomes an insider, where the insider communicating the information knows or has reason to believe that such person will likely buy or sell a security of the issuer while in possession of such information;
3. To buy or sell the securities of the issuer that are sought or to be sought by a tender offer, which has commenced or is about to commence, if such person knows or has reason to believe that the information is nonpublic and has been acquired directly or indirectly from the tender offeror, those acting on its behalf, the issuer of the securities sought or to be sought by such tender offer, or any insider of such issuer; and
4. To communicate material nonpublic information relating to a tender offer, which has commenced or is about to commence, to any other person where such communication is likely to result in the commission of act defined in the immediately preceding paragraph.

### **Reporting and Investigation**

Reporting and investigation of insider trading activities shall be in accordance with the Bank's Whistle Blowing Policies and Procedures.