



KBZ BANK
STRENGTH OF MYANMAR

GUIDELINE TO PREVENT INSIDER TRADING
LEGAL & COMPLIANCE

GUIDELINE TO PREVENT INSIDER TRADING

OF

KANBAWZA BANK (“KBZ Bank”)

KBZ Bank sets out the Insider Trading Policy (the “**Policy**”) to ensure that all of the KBZ Bank’s activities are in compliance with the relevant Security Exchange Law and any instructions issued by the Security and Exchange Commission of Myanmar (“**SECM**”) relating to inside information. Even though KBZ Bank is private company in financial sector in Myanmar and Bank is not directly involved trading in any security market, this Policy is designed to prevent access to insider information of KBZ Bank and Bank’s customers, and the securities of publicly traded companies with whom KBZ Bank’s customers have a business relationship.

The policy shall be applied to all directors, senior executives and employees of KBZ Bank. They must be aware of all the obligations of this Policy and potential risk of the consequences of the non-compliance with this Policy.

1. DEIFINATION

- (i) **An Insider** is a person who is in a position to have easy access to inside information of any connected persons related to Bank business or customers’ financial situations.

Inside Information in public company means price sensitive information that is material non-public information of the company related to security market.

However, as a private Bank, insider information means sensitive information that is material non-public information about the KBZ Bank and/or its customers information whether directly or indirectly, and which is likely to be considered as important in determining their business activities.

- (ii) **Material non-public information** is any material information about KBZ Bank that has not become publicly available yet and it shall include Bank business strategy and its customers information or their financial information that is deemed important in making decisions in their business activities and/or financial conditions of them.

2. MATERIAL INFORMATION

The following facts shall be included in the material information but those are no limited to:

- Significant business trends and metrics and development of a significant new product or process;
- Financial forecasts of the business, financings or restructurings of the matters of the Bank including its customer information;
- Significant dispute, claims and Government investigations;
- Defaults under agreements or actions by creditors, customers or suppliers relating to the Bank’s credit standing;
- Information about any failure to pay a significant amount of the company’s (the customers or borrowers) pecuniary claims by a debtor;

- Financial results including unaudited financial reports or projections;
- Information of a material lawsuits or litigations against the other company for loan cases;
- Protection the Bank' customers inside information which will affect the price or value of such company.

3. PROHIBITION

Any person from KBZ Bank is prohibited from doing the followings:

- (i) Use of internal information such as undisclosed material facts of the companies to other persons or discloses or provides internal information or gives advice to other persons for the purpose of other benefits;
- (ii) Giving any unpublished material information to other person creating an advantageous position to other investors or businessmen not having such information which might be impacted any values to the Bank and its customers;
- (iii) Disclosing any information of KBZ Bank and its customers before the bank has not made disclosure of such information to the public;
- (iv) Disclosing material information related to business or financial situation of KBZ Bank;
- (v) Infringing security measures protected by the lawful owners of business secretes in accessing and collecting of business secrets and information related to such secret;
- (vi) Using information of business secret/strategy without permission of the owner of the business

It is to be noted that any and all unpublished material information are not to be shared even with the employees' family members or relatives who have no relation to any investment or related businesses.

4. FAILURE TO COMPLY

As the Insider trading can damage the Bank's reputation, any employees who fail to comply with the clause 3 of this Policy shall be subject to disciplinary measures of the Bank.

5. PREVENTION OF INSIDER TRADING

All employees of the KBZ Bank shall be made aware of this policy and the penalty for non-compliance with it. All employees must be educated on what are non-disclosable material information of the Bank and its customers.

Regular reviews of this Policy shall be conducted by our Board to ensure they remain timely and relevant. Our most recent review was done in BOD meeting and approved by the Board dated on 23 February 2022.