



CODE OF ETHICS

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DOCUMENT CONTROL

Document Review History

Version	Date	Purpose	Approved By
1.0	March 2019	Initial Document	The Board
2.0	October 2021	Amendment	The Board
3.0	March 2022	Amendment	The Board

Document Review Frequency

The FSDH Merchant Bank Limited (“FSDH MB”/“the Company”) Code of Ethics will be reviewed every three (3) years to incorporate emerging developments on the subject.

SUMMARY OF CHANGES IN THIS VERSION

Key Changes: Amendment – Year 2022	Page(s)
<ul style="list-style-type: none">Additional clauses were included from pages 5 to 14.	5 – 14

1.1 PREAMBLE

As a financial institution, the activities of FSDH MB are affected by laws and regulations as well as its responsibilities to its shareholders, customers, employees and the community in which it operates.

The Code of Conduct provides the avenue for ensuring that the conduct of FSDH MB's employees is consistent with the company's corporate responsibilities.

The contents of this code of ethics form part of the contract of employment and/or of service between FSDH MB and its employees.

We encourage you to take this opportunity to review our policies and to discuss any questions you may have with your supervisor or with the appropriate department directly.

The guidelines set out in this code are to be followed at all levels of this organization by our directors, officers, and employees.

We rely on you to uphold our core values and conduct our business honestly, fairly, and with integrity

1.2 CORPORATE STATEMENT

As an employee of FSDH MB, you are expected to fully abide by the corporate objectives of the institution FSDH MB which are stated in the Company's vision and mission statements.

Corporate vision- "To be recognised as the provider of innovative financial solutions delivering consistent and sustainable returns".

Corporate Mission- "To partner with customers by providing innovative financial solutions that add value, whilst generating shareholders' returns".

1.3 GENERAL EMPLOYEE CONDUCT

The Company expects a high level of performance and dedication to duty from all employees, while providing job fulfillment for all its staff. The obligations of the Company's employees may be summarized as follows:

- a. To exhibit a sense of personal responsibility for the quality of work produced based on the principle of a fair day's work for a fair day's pay.

- b. To constantly endeavor to reduce loss of time to a minimum and to avoid any action likely to impede the work.
- c. To take personal care of all Company's property and all amenities provided for the use of staff.
- d. To make constructive suggestions for the improvement of method, efficiency and working conditions.
- e. To demonstrate a sincere and active endeavour to cooperate and establish friendly relations with fellow employees and the management, and to faithfully carry out instructions on job functions at all times.

1.4 DEFINITIONS

“Act” means the **Corrupt practices and Other Related Offences Act and the Economic and Financial Crimes Commission (Establishment), Act, 2004;**

“Bribe” means an improper advantage in connection with a position, office or assignment. An offer or a payment may be deemed improper based on several criteria. The most important criteria are the following:

- a. Objective of the offer, the position of the person offering or receiving the advantage.
- b. Value or the nature of the advantage in question.
- c. Level of transparency in place and whether it is an act contrary to the ethical rules for that office, assignment or position.

“Bribery” means the direct or indirect offering, promising, giving, demanding, receiving or accepting of a financial or other advantage for the purpose of performing or refusing to perform an act;

“Confidential Information” means and includes but is not limited to information about FSDHMB, agents, affiliates, employees, members, corporate objective, rates, underwriting and pricing methods, technical materials and information, reserve data, strategic and marketing plans, transaction and pricing information, processes, technology, compilations of information, financial information and any other information and data that are or may be used in or relate to the operation of FSDH MB's corporate objective that is not public knowledge;

“Corruption” means the misuse or abuse of entrusted power for private and usually commercial gain. Corruption includes bribery, fraud and other related offences;

“Employee(s)” means all employees of FSDH MB;

“Facilitation Payment” means payment of a bribe to a government or public official or any other person in authority, aimed at securing or expediting the performance or approval of an action to which FSDH MB or any of its Employee may be entitled to;

“HR” means Human Resources;

“FSDHMB” means FSDH Merchant Bank;

“Social Media” means and includes all means of communicating or posting information or content of any sort on the internet, whether associated or affiliated with FSDH MB, as well as any other form of electronic communication;

“Policy” means this Code of Ethics

2. APPLICABILITY OF THE POLICY

- 2.1 This Policy shall apply to Employees of FSDH MB. Consultants and all other persons carrying out services or activities on the instruction of or on behalf of FSDH MB shall be guided by this policy or any future review of same, from time to time.
- 2.2 This Policy should, therefore, be read in conjunction with FSDH MB's employee handbook and other FSDH MB personnel policies and regulations.

3. APPLICABLE PROVISIONS

This Policy aims to provide guidelines regarding the following subject matters:

3.1 Conflict of Interest

Employees duty to FSDH MB demands avoiding and disclosing actual and apparent conflicts of interest. A conflict of interest exists where the interests or benefits of a person or entity conflicts with the interests or benefits of FSDH MB. An Employee's interest is conflicted if, while performing duties for FSDH MB, the Employee's judgment and discretion is or may be influenced by considerations of personal gain or benefit or gain or benefit to a third party other than FSDH MB. Example Include:

When:

- A member of staff chairs a management committee, which is to consider the appointment of vendors for specific projects or procurement of assets in the bank, including his/her own or those of people with indirect relationship with him/her i.e. spouse, child, siblings, friends or business associates.

3.2 Employment/Outside Employment

In consideration of employment with FSDH MB, full-time Employees are expected to devote their full attention to the corporate objectives and interests of FSDH MB. Employees are prohibited from engaging in any activity that interferes with the performance of their responsibilities to FSDH MB or is otherwise in conflict with or prejudicial to FSDH MB. Employees are prohibited from accepting simultaneous employment with another entity that interferes with the performance of their responsibilities to FSDH MB or is otherwise in conflict with or prejudicial to FSDH MB whilst being in the employment of FSDH MB, or seeking to have a relationship with any agent, partner or stakeholder of FSDH MB, which relationship interferes with the Employee's ability to satisfy their respective responsibilities to FSDH MB.

3.3 Payments or gifts from others

The details of this provision are covered in the Conflict of Interest Policy.

3.4 Corporate Opportunities.

Employees shall not exploit for personal gain any information or opportunity discovered using FSDH MB's property, information or position unless as otherwise directed by FSDH MB.

3.5 Political Patronage/Support.

Whilst FSDH MB does not prohibit its employees from engaging in political activities, Employees are expected to apply caution in their political involvement, and shall not make any statement, participate in any undertaking or act in any manner which suggests that FSDH MB is affiliated to, supports or endorses any political party or candidate. Employees are expected to consult HR in the event of uncertainties, and discuss questions or concerns relating to applicability of this Policy with HR.

4. Disclosures

FSDH MB shall provide full, fair, accurate, timely and understandable disclosure in reports and documents that it files with the government, regulators and in its other public communications. Accordingly, Employees must ensure that they comply with all disclosure controls and procedures and all internal controls over financial reporting. Where any Employee believes or suspects that any information that is filed with the government or otherwise made publicly available is materially inaccurate or misleading, or if the Employee has identified or has suspicion of a material weakness in FSDH MB's public reporting procedures, the Employee shall promptly raise such concern with his or her supervisor or HR, as appropriate. Alternatively, such report may be made to the Audit Committee of FSDH MB on an anonymous basis.

5. Confidential Information

During and after employment by or service with FSDH MB, Employees shall not divulge to third parties, or appropriate for their own use or the use of others, any Confidential Information obtained during employment by or service with FSDH MB. The provisions of this clause are in addition to any separate confidentiality obligation that any Employee may be subject to pursuant to an agreement with FSDH MB or HR policy, provided that in the event of any conflict between this clause and any Employee's separate agreement with FSDH MB or HR policy, the separate agreement or HR policy shall prevail.

6. Fair Dealing

FSDH MB is committed to conducting its corporate goals and objectives fairly and in accordance with the highest ethical standards. No Employee shall use unfair techniques, such as misrepresentation of material facts or improper concealment of FSDH MB's corporate information, to gain a personal advantage. Additionally, no Employee shall offer or accept a bribe, kickback or improper favour in order to secure corporate or competitive advantage on behalf of FSDH MB.

7. Insider Trading

An employee's position with FSDH MB may provide the employee with access to "material non-public information".

"Material non- public information" includes information that is not available to the public at large which will be important to an investor in making a favorable financial/ investment decision. An employee in possession of "material non-public information shall not use the information for his/her benefit. An employee shall not pass that information on to any person not employed by FSDH MB unless specifically authorized to do so (say in the case of professional advisers such as lawyers or to regulatory agencies such as the Central Bank).

8. Money laundering and transaction structuring

FSDH MB by virtue of its business objective is susceptible to being used as a channel to launder money derived from criminal activity, the intention being to hide ownership of the funds from the Government. FSDH MB makes every effort to avoid being associated with money laundering or any other type of criminal activity by fully complying with all laid down regulations concerning any type of illegal activity.

FSDH MB's employees are prohibited from engaging in money laundering and related activities. All employees are required to immediately report all attempts to launder money, structure a transaction and/or all suspicious activities to the Company's chief compliance officer or to the head of internal audit.

9. Bribery and Corruption

9.2 FSDH MB hereby affirms that it will not directly or indirectly, offer, promise, give or demand a Bribe or other undue advantage to obtain or retain business or other improper advantage, nor would it be solicited or expected to give or render a Bribe or other undue advantage.

9.3 FSDH MB shall adopt internal control measures that discourage bribery and corrupt practices and adopt financial and tax accounting and auditing practices that prevent the establishment of "off the books" or "secret accounts" or the creation of documents which do not properly and fairly record the transactions to which they relate.

9.4 No Employee, agent or representative of FSDH MB shall in their personal capacity or on behalf of FSDH MB:

- (a) Directly or indirectly, offer or accept a Bribe whether on behalf of FSDH MB or in their personal capacity and any demands for such a Bribe must be rejected.
- (b) Accept kick back, grease payments, or offer of any facilitation payment of any portion of a contract payment from employees of a third party contracting with FSDH MB or the outsourcing of Bribes through other techniques to channel

- payments to government officials, to employees of business partners or contractors or third parties of any form, their relatives or business associates.
- (c) Make payments in any manner or form on behalf of FSDH MB, except remuneration for legitimate services rendered subject to due approval and due process.

10. Prohibited Payments

FSDH MB prohibits all improper payments of any nature. Accordingly, Employees shall not use or permit the use of FSDH MB's funds or other assets for any unauthorised, unlawful, or improper purpose including but not limited to:

- a) making or offering to make or promising to give any payment of money or anything of value directly or indirectly to or for the benefit of any person that is or may appear to be related to FSDH MB or otherwise, for the purpose of obtaining, or retaining business with such a person.
- b) inducing or rewarding the improper performance by any person of any function or activity.
- c) making unauthorised donation or gift of any of FSDH MB's property or funds to a political party or political association.
- d) Making, offering or promising to make any payment of money or anything of value for any purpose that is inconsistent or adverse to the goals and objectives of FSDH MB.
- e) soliciting, making or receiving facilitation payments for and on behalf of FSDH MB.

11. Discrimination and Harassment

The details of this provision are covered in the Sexual Harassment and Fraternization Policy.

12. Protection of and Proper Use of Company Assets

Use or access to FSDH MB's property for any unlawful or improper purpose is strictly prohibited. This prohibition includes any use that is unlawful or improper under applicable law or ethical standards, regardless of the practices of other companies or individuals. As part of this obligation, Employees shall follow FSDH MB's procedures to ensure that its corporate goals and objectives are consistently executed, recorded and reported so that FSDH MB can accurately compile and report its financial statements. Additionally, all

transaction records shall be preserved for the appropriate amount of time in accordance with FSDH MB's policy and applicable law.

13. Relations with third parties

13.1 FSDH MB has and will continue to impress on its duly appointed consultants, representatives and agents performing duties or carrying out assignments on behalf of FSDH MB, to uphold its principles of integrity and ethical discipline stipulated in this Policy, and not to engage in any act of Bribery or Corruption for and on behalf of FSDH MB. Where an agent, consultant or representative is found to have compromised FSDH MB's principles as stated in this Policy, the said person will be relieved of his/her duties. FSDH MB is committed to taking reasonable steps to ensuring that its directors, officers, representatives, agents, and consultants are made aware of, understand and adhere to this Policy. FSDH MB shall continuously verify the integrity and reputation of such persons and conduct appropriate and reasonable due diligence in light of perceived levels of risk.

13.2 Employees are expected to maintain a purely professional relationship with FSDH MB's stakeholders and must disclose to FSDH MB any interests or personal relationships with any of its agents, consultants, representatives or stakeholders.

14. Documentation and record keeping

FSDH MB's books and records shall be kept with reasonable detail and accuracy without any false or misleading entries. This is to ensure that FSDH MB's books and records accurately reflect all dealings in accordance with established procedure. All controls and approval procedures must be followed by Employees at all times to ensure compliance.

15. Relations between Co-employees

The details of this provision are covered in the Sexual Harassment and Fraternalization Policy.

16. Social Media Usage

Employees are expected to apply good judgment, act responsibly and professionally in their use of Social Media. Sharing of contents on Social Media that may include discriminatory or derogatory remarks, harassment and threats or untrue/unlawful content will not be tolerated and may result in disciplinary actions, including termination of employment. Erring Employees shall be personally liable for any breach of the provisions of this clause as FSDH MB disclaims any responsibility or liability for any default, loss, or damages incurred due to any Employee's wrongful electronic communication.

17. Compliance with Laws, Rules and Regulations

17.1 In performing their duties on behalf of FSDH MB, Employees must comply with all applicable laws, rules and regulations including those listed below. It is hereby advised that the list below is not exhaustive, and every employee must personally keep abreast with

relevant laws passed by the National Assembly or the House of Assembly of every state in which FSDH MB operates in Nigeria:

- 17.1.1 All Laws of the Federation of Nigeria 2004 and every subsequent amendment thereto, in particular, the Corrupt Practices and Other Related Offences Act and the Economic and Financial Crimes Commission (Establishment) Act.
- 17.1.2 Every law enacted and currently in force in the states of the Federation of Nigeria, including the Federal Capital Territory, Abuja and every subsequent amendment thereto.
- 17.1.3 All bye-laws of the states and local government laws and edicts, policies and statutes in force.

17.2 Employees must acquire appropriate knowledge of the legal requirements relating to their duties sufficient to enable them to recognise potential violations and to know when to consult and seek advice from the designated FSDH MB's officers or HR, as any violation of applicable laws, rules and regulations may subject such violators to individual criminal or civil liability, as well as to discipline by FSDH MB. Such individual violations may also subject FSDH MB to civil or criminal liability or expose FSDH MB to unprecedented losses hence the need for all Employee to ensure compliance.

18. Reporting of Illegal or Unethical Behavior and Violations of this Policy

18.1 Every Employee shall report promptly any actual, attempted, or apparent violation of laws, rules, regulations or this Policy that comes to their attention. If a violation is observed or reported or is indicated by records or other information of which an Employee becomes aware, then the matter shall be immediately reported; Employees are to notify their supervisors or HR.

18.2 FSDH MB shall never take or threaten any action against an Employee for making a complaint or disclosing any information in good faith. Retaliation or retribution against any Employee who in good faith reports a violation or potential violation pursuant to this Policy or any applicable law is cause for disciplinary action, up to and including termination of employment. FSDH MB will take appropriate action against any Employee or other persons who this policy may apply to, whose actions are found to violate this Policy or any other policy of FSDH MB.

19. Waivers

FSDH MB may waive a conflict of interest if a determination is made that the effect on FSDH MB, or any of its consultants, representatives and agents, etc., is not material or ethically unacceptable, the cost to or effect on FSDH MB is reasonable and similar to situations in which there is no conflict and appropriate on-going controls designed to monitor the specific situation and to protect FSDH MB.

20. Embezzlement, theft and misapplication of funds.

FSDH MB holds each employee responsible for maintaining accurate and complete records. Anyone who embezzles, steals, or willfully misappropriates any monies, funds or credits of FSDH MB is subject to the full disciplinary process of FSDH MB and the law enforcement or regulatory authorities where applicable.

21. Press Articles

The details of this provision are covered in the Staff Handbook.

22. Use of Corporate Name and Letterhead

FSDH MB's name, logo or corporate letterhead may not be used for any purpose other than in the normal course of official business, unless expressly approved by Senior Management.

23. Drug/Alcohol Abuse:

The details of this provision are covered in the Staff Handbook.

24. Social Relationships

The details of this provision are covered in the Sexual Harassment and Fraternization Policy.

25. Mode of Dressing:

. The details of this provision are covered in the HR Policy.

26. Sanctions

For breaches of the provisions in this Policy, the matter will be referred to the Disciplinary Committee of FSDH MB for consideration. This committee is made up of the following:

The Chief Risk Officer , 3 other members of Exco, Legal Adviser or a member of the Legal team, Head of Human Resources and Head of Internal Control.

*other members of staff may be invited to be part of the committee depending on the unit / department of the offending staff.

For instances of breaches with no precedent, the committee will use its best judgment in deciding on the appropriate sanctions. (See the Sanctions Grid for details)

27. Enforcement of this Policy

The Head of HR shall be responsible for ensuring that:

- (a) This Policy is effectively disseminated among Employees and properly enforced;
- (b) All Employees of FSDH MB are periodically trained to understand this Policy and all other policies issued pursuant to it;
- (c) Establish and enforce measures that will ensure compliance with this Policy by all Employees;
- (d) This Policy is regularly reviewed and updated in order to ensure its relevance and efficiency;
- (e) Enquiries or reports made or submitted pursuant to this Policy are dealt with promptly and in a confidential manner;
- (f) Investigation of possible illegal, improper or unethical conduct by FSDH MB or its Employees are pursued to its logical conclusion and where appropriate, the reports of such investigations are presented to Management;
- (g) No Employee is victimised, prejudiced or dealt with maliciously as a result of any report made or information volunteered under this Policy;
- (h) All staff members are required to attest to have read and understood the policy on the FSDH Group Policy Attestation Portal

28.

29. Equality, Diversity, and Inclusion

FSDH MB is committed to promoting equality, fairness, and respect for all in our employment, whether temporary (interns) or full-time. There shall not be unlawful discrimination because of age, disability, pregnancy, maternity, race (including colour, nationality, and ethnic or national origin), religion or belief, gender. These include in pay and benefits, terms and conditions of employment, dealing with grievances and discipline, dismissal, redundancy, leave for parents, requests for flexible working, and selection for employment, promotion, training, or other developmental opportunities. Decisions concerning staff members will be based on merit.

Employees must oppose and avoid all forms of unlawful discrimination and conduct themselves within acceptable workplace behaviour, to help provide equal employment opportunities and prevent bullying, harassment, victimisation, and unlawful discrimination. The staff members should understand that they can be held liable for acts of bullying, harassment, victimisation, and unlawful discrimination in their employment, against fellow employees, customers, or suppliers.

Periodic review and update of employment practices and procedures to ensure fairness, while complaints of bullying, harassment, victimisation, and unlawful discrimination by fellow employees, customers, suppliers, visitors, and others in the course of the organisation's business activities will be taken seriously by the Company.

Such acts will be dealt with as misconduct under the Company's disciplinary procedures, and appropriate action will be taken.

FSDH MB RESERVES THE RIGHT TO AMEND, SUPPLEMENT OR DISCONTINUE THIS CODE AND THE MATTERS ADDRESSED HEREIN, WITHOUT PRIOR NOTICE AT ANY TIME.

APPENDIX

ATTESTATION

STAFF OF FSDH MERCHANT BANK ARE REQUIRED TO READ AND ATTEST TO HAVE UNDERSTOOD THE POLICY ON THE FSDH GROUP POLICY ATTESTATION PORTAL