



# Policy Prohibiting Insider Trading of Securities

March 23, 2018

## Policy Information

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1. INTRODUCTION

Federal securities laws make it illegal for any director, officer or employee of the Federal Home Loan Bank of Indianapolis (the "Bank") to buy or sell securities at a time when that person possesses "material, non-public information" relating to the issuer of such securities. This conduct is known as "insider trading." Passing such material, non-public information on to someone else who may buy or sell securities – which is known as "tipping" – is also illegal. These prohibitions apply to the capital stock of the Bank, the debt securities issued by the FHLBank System (the "System"), and any other securities issued by the Bank or the System. The prohibitions also apply to securities of Bank member institutions (including their holding companies and member affiliates), counterparties, vendors or other companies if that person learns something in the course of his or her duties for the Bank that may affect the value of these securities.

The Bank is adopting this Policy to avoid even the appearance of improper conduct on the part of anyone employed by or associated with the Bank. Failure to comply with this policy could result in dismissal from employment or removal from the Board of Directors, in addition to any penalties that may be imposed by law in any civil or criminal proceeding brought by the Securities and Exchange Commission (SEC) or other appropriate authorities.

The Bank, acting through the Disclosure Committee, is authorized to adopt, amend, and maintain procedures (Procedures) to implement this Policy. The Procedures may exclude other matters from the scope of this Policy.

In case of a conflict among the requirements of this Policy, the Procedures, applicable law, or regulation (including, without limitation, applicable guidance, advisory bulletin, Q&A, or other written advice of the Federal Housing Finance Agency), the following will govern in order of priority: (1) applicable law, (2) applicable regulation (as defined above), (3) this Policy, (4) the Procedures.

1.1. SCOPE

This Policy addresses:

- Insider Trading
- Trading Blackouts
- Firewalls
- Certification and Training
- General Questions

1.2. RELATED DOCUMENTS

Code of Conduct

Anti-Money Laundering (AML) Policy

(With all attachments: Anti-Fraud Policy, Whistleblower Policy, and this Policy)

1.3. ROLES/RESPONSIBILITIES

Department/Officer/Working Group/Committee/Other	Brief Summary of Responsibilities
Legal Department Disclosure Committee Risk Committee	Responsible for revising this Policy to reflect changes in legal or regulatory requirements; reviewed for ethics best practices and risk assessment.



### 1.4. EXCEPTIONS

No exceptions to this Policy are allowed.

### 1.5. VIOLATIONS

Willful or grossly negligent non-compliance with this Policy may subject a person to discipline per the *Code of Conduct*.

## 2. POLICY

All employees, officers and directors operate within the framework of this Policy and other related Bank policies and procedures.

### 2.1. INSIDER TRADING

#### 2.1.1. RESTRICTIONS ON TRADING

If a director, officer or any employee has material, non-public information related to the Bank, its members, the Office of Finance or any other FHLBank or the System, neither that person nor any related person (as defined below) may: (1) buy or sell securities of the Bank or the debt securities of the System, or engage in any other action to take advantage of that information, or (2) communicate that information to other persons, unless disclosure is required for legitimate, Bank-related reasons. This restriction also applies to information obtained through the course of the person's duties for the Bank that relates to any Bank member (its holding company or member affiliates), counterparty, vendor or other company from which the Bank receives material, non-public information. The restrictions on Bank stock trading are subject to a limited ordinary course of business exception as discussed under paragraph 2.2.3 below.

#### 2.1.2. MATERIAL NON-PUBLIC INFORMATION DEFINED

Material information is any information that a reasonable investor would consider important in a decision to buy, hold or sell a security. Examples include: unpublished financial results; non-public projections of future earnings or losses; significant sale of assets; changes in dividends; changes in management; or the gain or loss of a substantial customer or counterparty. This list is not exhaustive and additional examples are set forth in the Bank's *Disclosure Policy*.

Information is "non-public" if it is not available to the general public. In order for information to be considered public, it must be broadly disseminated or made widely available to the general public, such as by filing a Form 8-K, by distributing a press release through a widely disseminated news or wire service or by any other non-exclusionary method of disclosure that is reasonably designed to provide broad public access – such as announcement at a conference of which the public had notice and to which the public was granted access, either by personal attendance or telephonic or electronic access.

#### 2.1.3. TRANSACTIONS BY A DIRECTOR'S INSTITUTION

The restrictions set forth above apply to the member institution(s) where a Bank director serves as an officer or director. Directors should not use in connection with their activities at their institution(s), or discuss with the individuals at their institution(s), material, non-public information about an issuer of securities, which information came to such director through his or her relationship with the Bank. Directors are responsible for the compliance of their institution(s), including, where applicable, their holding company or the Bank's member affiliates.



### 2.1.4. TRANSACTIONS BY RELATED PERSONS

The restrictions set forth above apply to related persons, which are defined as immediate family members and other family members if living in the same household. Directors, officers and employees are expected to be responsible for the compliance of related persons and should not discuss material, non-public information with such related persons.

### 2.1.5. DISCLOSING INFORMATION TO OTHERS

Where the information is proprietary or could have an impact on the desire to buy, hold or sell Bank stock or debt securities, such information should not be passed on to others unless disclosure is required for legitimate Bank-related reasons. Such information should also not be discussed in public places where it might be overheard, such as elevators, restaurants, taxis and airplanes. A director, officer or employee who improperly reveals material, non-public information to another person can be held liable for the trading activities of his or her “tippee” and any other person with whom the tippee shares the information. This liability applies even if the tipper does not benefit financially from the trading activity and whether or not the tipper knew or intended that the other person would take action based upon the supplied information.

To avoid even the appearance of impropriety, directors, officers and employees should refrain from providing advice or making recommendations regarding the purchase or sale of Bank stock (except with respect to the required purchase of stock as an incident to routine member transactions) or System debt securities, even if not then in possession of material, non-public information.

### 2.1.6. TRADING IN SECURITIES OF MEMBERS, VENDORS AND OTHERS

The penalties for insider trading and this Policy apply equally to material, non-public information concerning Bank member institutions, their holding companies or member affiliates, vendors, counterparties and other companies if obtained as a result of a person’s duties for the Bank. Officers, employees and independent directors are prohibited from trading in the securities of the Bank’s member institutions (including their holding companies and member affiliates). Member directors and their member institutions must refrain from trading securities of a member institution while the director is in possession of material, non-public information concerning such institution, and the director must not disclose such information to others unless the person has a need to know the information for legitimate Bank-related reasons. Directors, officers and employees must also refrain from trading securities of any Bank vendors, counterparties or other companies while in possession of material, non-public information concerning such entity and should refrain from disclosing such information except when required for legitimate Bank-related reasons.

### 2.1.7. PREVIOUSLY NON-PUBLIC INFORMATION

Any director, officer, employee, director’s institution or related person that is aware of material, non-public information regarding the Bank, the System, members (including their holding companies or affiliates), counterparties, vendors or other companies, may not enter into any transactions related to the securities of these entities immediately following public disclosure of the information. The public must be afforded sufficient time to receive and act upon the information. Although the amount of time varies with the type and complexity of the information released, it is generally appropriate to wait until the third business day following the public disclosure of the information before engaging in a transaction involving securities of such entity.

## 2.2. TRADING BLACKOUT

In order to avoid even the appearance of improper trading, it is the policy of the Bank that no Bank member institution (or member affiliate) of which a Bank director is an officer or director may buy shares of stock of the Bank, buy or sell any debt securities of the System, request the transfer of capital stock to another member or prospective member or request the repurchase of any excess shares of Bank stock during a blackout period.



### 2.2.1. AUTOMATIC

A blackout will begin on the date the Board or committee package containing the dividend analysis, draft 10-Q, or draft 10-K is mailed to directors containing material, non-public information, and end after the third full business day following the Bank's issuance of its quarterly dividend release, 10-K, 10-Q, 8-K, or other press release made to the public.

### 2.2.2. DISCRETIONARY

The Board or a Bank Ethics Officer may, with advance notice to the directors, establish a trading blackout from time to time when material, non-public information is shared with the directors and it will stay in effect until the third business day following the date the information is made public.

### 2.2.3. ORDINARY COURSE OF BUSINESS EXCEPTION

During a blackout period, a Bank director's member institution (or member affiliate) may purchase activity-based capital stock (either in an individual transaction or a series of transactions) if the purchases are in the ordinary course of the institution's business and that the total purchases do not increase the number of shares of Bank capital stock owned by such institutions by more than 5%.

## 2.3. FIREWALL

If a member director's institution certifies to the Bank that it has established a firewall that ensures that the director, or anyone else with whom the director has shared material, non-public information about the Bank or the System, does not participate in decisions regarding transactions with the Bank, any blackout period established pursuant to this Policy shall not apply to such institution.

## 2.4. CERTIFICATION AND TRAINING

Directors, officers and employees will be required to acknowledge that they understand their obligations under this Policy and that they have complied and will continue to comply with this Policy on an annual basis. The Ethics Officers are responsible for conducting annual director and staff training, and for the collection and retention of the acknowledgment forms. The Ethics Officers will provide an annual status report to the Disclosure Committee.

## 2.5. GENERAL QUESTIONS

Any person who has any questions about specific transactions or general questions about this Policy may obtain additional guidance from the Bank's General Counsel and Chief Compliance Officer. The ultimate responsibility for compliance, however, remains with the director, officer, or employee.

## 3. AMENDMENTS

The Board may amend this Policy at any time.

## 4. APPROVAL AND REVIEW CYCLE

This Policy, as amended, is effective as of March 23, 2018. The Audit Committee will review this Policy, recommend any changes, and recommend Board approval at least once per calendar year.

## 5. RELEVANT AUTHORITIES AND REFERENCES

Securities Act of 1933, Securities Exchange Act of 1934, and all related regulations and guidance from the Securities and Exchange Commission (SEC) and related guidance from the Federal Housing Finance Agency



**6. DOCUMENT CHANGE RECORD**

Version	Date	Description	Reviewed by
1.0	03/18/2016	Policy transferred to Bank Policy Framework; no content changes for annual re-adoption of this Policy.	General Counsel - CCO
1.1	03/24/2017	Minor document clean-up prior to annual re-adoption by the Board. No authoritative policy changes to content.	Policy Management Legal/Compliance Audit Committee - Board of Directors
1.2	03/23/2018	Annual maintenance. No policy content changes were made. Usage of "FHLBI" eliminated; replaced with the Bank's full name or reference to "the Bank" as appropriate to ensure accurate identity. Some minor re-formatting to comply with the Bank's Policy Framework.	Policy Management Legal/Compliance Audit Committee - Board of Directors