



# CIT Group Inc. Securities Trading Policy

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# 1 Securities Trading Policy

## 1.1 Purpose

The purpose of this CIT Securities Trading Policy (Policy) is to provide guidelines with respect to transactions in the securities of CIT Group Inc. and its majority-owned or controlled subsidiaries (collectively, CIT) and the handling of confidential information about CIT and the companies with which CIT does business. CIT's Board of Directors has adopted this Policy to promote compliance with federal, state and foreign securities laws that prohibit certain persons who are aware of Material Non-Public Information (as defined below) about CIT or another company from trading in CIT's or that company's securities or providing such information to other persons who may trade on the basis of that information.

## 1.2 Scope

This Policy applies to all employees and directors of CIT (collectively, Covered Persons). CIT may also determine that other persons shall be deemed Covered Persons for purposes of this Policy, such as contractors or consultants who have access to Material Non-Public Information (in which case the fact that such person is subject to this Policy should be reflected in the engagement or consulting agreement with such person and a copy of this Policy shall be provided to such individual). Covered Persons have ethical and legal obligations to maintain the confidentiality of information about CIT and not to engage in transactions in CIT Securities while in possession of Material Non-Public Information. The responsibility for determining whether a Covered Person is in possession of Material Non-Public Information rests with such Covered Person.

## **2 Roles and Responsibilities**

### **2.1 Board of Directors**

- Consider for approval, amendments to this Policy recommended by the Executive Management Committee
- Designate CIT's Executive Officers

### **2.2 General Counsel/Chief Regulatory Counsel**

- Review the Policy for possible amendments on an annual basis
- Manages the pre-clearance of Directors and Executive Officers seeking to trade in CIT Securities
- Approves all Trading Plans in conjunction with the Executive Vice President of Human Resources
- Assist in the preparation and filing of Section 16 reports pursuant to Section 16(a) of the Securities Exchange Act of 1934 (Securities Exchange Act)

### **2.3 Chief Compliance Officer**

- Designate a list of Directors, Executive Officers, and all other employees who must receive clearance prior to trading in CIT Securities
- Manage the pre-clearance of Designated Individuals other than Directors and Executive Officers seeking to trade in CIT Securities
- Oversee the Monitoring of Employee Stock Trading procedures

## 3 Policy Requirements

### 3.1 No Trading of CIT Securities while in Possession of Material Non-Public Information

No Covered Person who is aware of Material Non-Public Information concerning CIT may, directly or indirectly through family members or other persons, engage in any transaction in CIT Securities except as expressly permitted by this Policy.

This prohibition:

- Applies to trading in CIT Securities as to which any Covered Person has a beneficial or financial interest, or over which any Covered Person exercises investment control, including:
  - ▶ Sales of stock acquired under CIT's Omnibus Incentive Plan (OIP) and Long-Term Incentive Plan (LTIP)
  - ▶ Transactions in CIT Securities held in joint or individual accounts or by entities controlled by a Covered Person
  - ▶ Transactions in CIT Securities held by or for the benefit of the spouse, children, grandchildren, or domestic partner of any Covered Person
  - ▶ Sale of stock pursuant to a broker-assisted cashless exercise of an option granted under the LTIP
  - ▶ An election to participate in CIT's Employee Stock Purchase Plan (ESPP)
  - ▶ Sales of stock purchased under the ESPP
- Does not apply to:
  - ▶ Transactions in mutual funds
  - ▶ Purchases under the ESPP pursuant to elections made at the time a Covered Person enrolled in the ESPP
  - ▶ Transactions made pursuant to a written plan (a Trading Plan) entered into before the Covered Person became aware of Material Non-Public Information, provided such Trading Plan complies with the terms of Rule 10b5-1 under the Securities Exchange Act (Rule 10b5-1) and the provisions of this Policy governing Trading Plans
  - ▶ The vesting of restricted stock or restricted stock units (RSUs)
  - ▶ The exercise of a tax withholding requirement upon the vesting of restricted stock or RSUs

### 3.2 Transactions by Family Members and Others

Covered Persons are responsible for transactions in CIT Securities by:

- Members of their immediate family who reside with them (including a child away at college)
- Anyone else who lives in their household
- Any other family members whose transactions in CIT Securities are directed by the Covered Person or are subject to the Covered Person's influence or control (such as a parent or adult child who consults with a Covered Person prior to trading in CIT Securities)

This Policy also applies to entities that Covered Persons influence or control, including corporations and trusts (collectively, Controlled Entities). Accordingly, Covered Persons should treat all transactions described in [3 Policy Requirements](#), for purposes of compliance with securities laws and this Policy, as if they are for the Covered Person's own account.

### **3.3 No Trading of Other Companies' Securities while in Possession of Material Non-Public Information**

No Covered Person who, in the course of working for CIT, learns of Material Non-Public Information about another company (including customers, vendors, and potential merger or acquisition targets), may trade in the securities of such other company until the information becomes public or is no longer material.

In addition, CIT prohibits any Covered Persons who know that CIT is engaged in discussions regarding a merger, acquisition or other significant transaction with another public company from trading in securities of that company.

### **3.4 No Short Sales of CIT Securities**

All Covered Persons are prohibited from engaging at any time in short sales of CIT Securities (e.g., selling more CIT shares than one owns, a technique used to speculate on a decline in stock price).

### **3.5 No Hedging Transactions**

Hedging and monetization transactions may permit a person to continue to own securities obtained through employee benefit plans or otherwise without the full risks and rewards of ownership. Persons engaging in such transactions may not have the same objectives as other shareholders. Therefore, Covered Persons are prohibited from engaging in hedging or monetization transactions related to CIT Securities, including the use of financial instruments such as prepaid variable forward contracts, puts, calls, equity swaps, credit default swaps, collars and exchange funds.

### **3.6 Margin Accounts and Pledged Securities**

Securities held in margin accounts as collateral for a margin loan may be sold by the broker if the customer fails to meet a margin call. Similarly, securities pledged as collateral for a loan may be sold in foreclosure if the borrower defaults. Because such sales may occur at a time when the security owner is aware of Material Non-Public Information or is otherwise not permitted to trade, Covered Persons are prohibited from holding CIT Securities in a margin account or otherwise pledging CIT Securities as collateral for a loan.

### **3.7 No Tipping of Material Non-Public Information**

All Covered Persons in possession of Material Non-Public Information concerning CIT or another company must keep such information confidential, sharing it only on a need to know basis, for authorized CIT business purposes. A Covered Person may not tip other persons about Material Non-Public Information or otherwise make unauthorized disclosures or use of such information, regardless of whether the Covered Person profits or intends to profit by such tipping, disclosure, or use.

### **3.8 Short-Term Trading**

Short-term trading of CIT Securities may unduly focus a Covered Person on CIT's short-term stock market performance rather than CIT's long-term business objectives and may create the appearance of improper trading activity. For these reasons, any Covered Person who purchases CIT Securities in the open market may not sell any CIT Securities of the same class during the six-month period following the purchase (and vice versa). These restrictions on short-term trading do not apply to transactions under the ESPP or other employee benefit plans.

## 4 Procedures

CIT has established procedures to facilitate compliance with this Policy and laws prohibiting insider trading and this Policy, and to avoid the appearance of impropriety.

### 4.1 Pre-Clearance Procedures

Directors, Executive Officers, and all other employees designated by the Chief Compliance Officer (CCO) from time to time and listed in a document posted on the Corporate Compliance page of CIT's intranet site (Designated Individuals) must receive clearance prior to trading in CIT Securities. Directors and Executive Officers shall seek pre-clearance from the General Counsel or Chief Regulatory Counsel, while all other Designated Individuals shall seek pre-clearance from the CCO. Requests for pre-clearance shall be submitted at least two business days in advance of the proposed securities transaction. When submitting a request for pre-clearance, the requestor should carefully consider whether he or she may be aware of Material Non-Public Information about CIT and shall disclose fully those circumstances to the General Counsel, Chief Regulatory Counsel or CCO, as applicable.

Requests for pre-clearance directed to the CCO should be sent via e-mail to [preclear@cit.com](mailto:preclear@cit.com). If a Designated Individual is denied clearance, he or she shall refrain from transacting in CIT Securities and shall not inform any other person of the denial of pre-clearance. All pre-cleared transactions must be effected within two business days following the date of receipt of pre-clearance or the pre-clearance automatically expires.

The ultimate responsibility for determining whether an individual possesses Material Non-Public Information rests with that individual. Therefore, CIT's approval of any transaction under this pre-clearance procedure does not necessarily insulate any Covered Person from liability under securities laws. Under no circumstance may a person effect a transaction while in possession of Material Non-Public Information, even if pre-cleared.

### 4.2 Quarterly Trading Restrictions

Covered Persons may not trade in CIT Securities during a quarterly earnings blackout period, regardless of whether they are then in possession of Material Non-Public Information. Blackout periods begin 15 calendar days before the end of each CIT fiscal quarter and end two trading days after CIT's public announcement of its financial results for such fiscal quarter. For purposes of this Policy, two trading days means two full days, measured from 9:30 a.m. to 4:00 p.m. New York City time, following the public announcement of CIT's financial results during which CIT's Securities are traded on the New York Stock Exchange (i.e., if financial results are announced before the opening of trading on a Monday, assuming no intervening holiday, Covered Persons would be permitted to trade CIT Securities at the opening of the market on Wednesday whereas if results were announced after the close of trading on Monday, Covered Persons would not be permitted to trade CIT Securities until the opening of trading on Thursday).

### 4.3 Event-Specific Trading Restriction Periods

CIT may at times adopt and communicate other blackout periods during which Covered Persons or a specified group of Covered Persons will be prohibited from trading in CIT Securities.

### 4.4 Additional Procedures for Directors and Executive Officers

The U.S. securities laws impose additional requirements on certain transactions by corporate "insiders". Insiders include all Executive Officers (as designated by the Board of Directors), Directors, and greater than 10% stockholders of CIT.

Section 16(a) of the Securities Exchange Act requires reporting with the SEC of transactions by Directors and Executive Officers. Transactions by these persons also are subject to the short-swing profit recapture provisions of Section 16(b) of the Securities Exchange Act.

For any transactions by Directors and Executive Officers, CIT's Law Department will assist in the preparation and filing of Section 16 reports (contact the Chief Regulatory Counsel for assistance).

Additionally, sales by affiliates (including Directors, Executive Officers, and 10% stockholders) are subject to Rule 144 requirements under the Securities Act of 1933, including volume limitations, holding periods, manner of sale conditions, and reporting with the U.S. Securities and Exchange Commission (SEC). The legal obligation to file reports and comply with the various rules rests on the individual affiliate. Brokers or financial advisors generally will assist Directors and Executive Officers in the preparation and filing of a Form 144 with the SEC.

#### 4.5 Monitoring of Employee Stock Trading

All employees of Commercial Finance, Rail, Capital Equipment Finance, and Commercial Services (the Covered Businesses), all persons who are Designated Individuals with respect to trading in CIT Securities, and certain other select employees in either operational or functional areas that support the Covered Businesses (the Covered Employees) shall be subject to monitoring by the Compliance Department of all transactions in or related to the securities of any publicly traded company or entity. Upon receiving notice from the Compliance Department, each Covered Employee is required to either:

- Authorize his or her brokerage firm to send copies of all transactions in any securities or other instruments of any public company (Securities Transactions) via an electronic feed to an electronic monitoring system designated by the Compliance Department
- Certify that the Covered Employee does not have a brokerage account in his or her name, or the name of any spouse or other person living in the same household, that holds or is capable of holding and/or executing Securities Transactions

The electronic monitoring system compares each Securities Transaction against a Monitored List developed as described below and will notify the Compliance Department of any matches that require investigation.

Each Covered Business is responsible for developing and providing to the Compliance Department a list of all clients and customers that have publicly traded securities issued and outstanding for which the Covered Business has material non-public information (for each, the Do Not Trade List). The Compliance Department must develop a Monitored List that includes the Do Not Trade List for each Covered Business and any public companies with which CIT is discussing any material transaction, including but not limited to mergers, acquisitions, divestitures, or joint ventures, and CIT has obtained material non-public information. The Compliance Department developed [Do Not Trade List Procedure](#) for maintaining and updating the Monitored List.

Securities Transactions that are effectuated through any mutual fund or managed account for which a third party financial or investment advisor or manager has full authority to make all investment decisions are not restricted from investment if it is on the Monitored List, provided that this exception will not apply for any Securities Transaction in which the financial or investment advisor or manager acts at the direction of the covered employee.



## 5 Compliance with Stock Ownership and Retention Guidelines

Nothing in this Policy shall be construed as relieving either:

- Executive Officers from the obligation to comply with the Executive Equity Ownership and Retention Policy as outlined in the [Corporate Governance Guidelines](#)
- Directors from the obligation to comply with the Director Stock Ownership Policy as outlined in [Corporate Governance Guidelines](#)

## 6 Rule 10b5-1 Trading Plans (Trading Plans)

Rule 10b5-1 provides an affirmative defense with respect to insider trading liability. Trading Plans are designed to provide appropriate flexibility to individuals who wish to plan securities transactions in advance at a time when they are not aware of Material Non-Public Information, and then carry out those transactions at a later time, even if they later become aware of Material Non-Public Information.

To comply with this Policy, a Trading Plan must be approved by the General Counsel (or the Chief Regulatory Counsel) and the EVP/Human Resources (or the SVP/Compensation) prior to the Trading Plan becoming effective. Trading Plans may be entered into with a broker chosen by the Covered Person. Trading Plans and modifications to Trading Plans will not be approved unless they satisfy the specific requirements of Rule 10b5-1 including the following:

- The Trading Plans shall only be entered into during a time when:
  - ▶ No blackout periods are in effect
  - ▶ The Covered Person confirms that he or she is not aware of Material Non-Public Information regarding CIT
- The Trading Plan must be written and signed by the Covered Person seeking to adopt the Trading Plan. CIT will not be a party to such plan (except for limited certifications related to the exercise of options). The Covered Person must provide CIT with a fully executed copy of each Trading Plan.
- The Trading Plan must specify or set a formula for:
  - ▶ The amount and type of CIT Securities to be purchased or sold (and, if applicable, the number of stock options to be exercised)
  - ▶ The dates on which the CIT Securities are to be purchased or sold (and, if applicable, the number of stock options to be exercised)
  - ▶ The price or prices at which the securities are to be purchased or sold (e.g., at the market price provided it is no less than \$XXX per share)
- The Trading Plan cannot permit the Covered Person to exercise any subsequent influence over how, when or whether to effect purchases or sales of CIT Securities.
- The first purchase or sale under the Trading Plan shall not occur earlier than the first day of the first trading window (i.e., the period between quarterly blackout periods) beginning after the trading window in which the Trading Plan is adopted.
- Trading Plans should be at least six months and no longer than two years in duration.
- The Covered Person may not have multiple overlapping Trading Plans in place at any given time.
- Modifications to Trading Plans may only be made during open trading windows, and, for all other purposes of this Policy, the modified Trading Plan shall be deemed to be a new Trading Plan.

CIT reserves the right to reject any Trading Plan which, in its judgment, does not comply with this Policy or CIT's Executive Equity Ownership and Retention Policy as outlined in the [Corporate Governance Guidelines](#).

Trading Plans may only be terminated during open trading windows, and an individual who terminates a Trading Plan (prior to its expiration) is not permitted to enter into a new Trading Plan for at least 180 days.

Trading Plans entered into by Directors and Executive Officers (as well as modifications or the early termination of such Trading Plans) should be promptly disclosed on a Form 8-K filed with the SEC.

## 7 Post-Termination Transactions

This Policy continues to apply to transactions in CIT Securities even after termination of service to CIT. If an individual is in possession of Material Non-Public Information when his or her service to CIT ends, that individual may not trade in CIT Securities until that information has become public or is no longer material. The pre-clearance procedures in this Policy, however, will cease to apply to transactions in CIT Securities upon the expiration of any blackout period in effect at the time of the termination of service.

## 8 Consequences of Violations of the Policy

The trading of securities while aware of Material Non-Public Information, or the disclosure of such information to others who trade in CIT Securities, is prohibited by securities laws. Insider trading violations are pursued vigorously by the SEC and other enforcement authorities, and penalties for insider trading violations can be severe, including significant fines, imprisonment and civil lawsuits. Securities laws not only impose liability on individuals who violate insider trading laws, but also can be used to impose potential liability on companies and supervising managers if they fail to take reasonable steps to prevent illegal insider trading by directors and employees within their control.

In addition, any Covered Persons found by CIT to have violated this Policy (whether or not prosecuted by any government authority) are subject to dismissal or other disciplinary action and to possible claims by CIT for damages sustained by reason of such person's activities.

## Appendix A. Document Administration

### A.1 Related Policies and Procedures

- Code of Business Conduct
- [Do Not Trade List Procedure](#)

### A.2 Related Laws, Regulations, and Regulatory Guidelines

- Section 10(b) of the Securities Exchange Act of 1934
- Rule 10b5 under the Securities Exchange Act of 1934
- Rule 10b5-1 under the Securities Exchange Act of 1934
- Rule 144 requirements under the Securities Act of 1933
- Section 16 of the Securities Exchange Act of 1934
- Dodd-Frank Wall Street Reform
- Insider Trading and Securities Fraud Enforcement Act of 1988

### A.3 Related Checklists, Forms, and Documents

[Corporate Governance Guidelines](#)

### A.4 Approval Authority

Substantive changes to this document must be approved in accordance with the [Policy and Procedure Development and Management Policy](#) with final approval by [Governing Committee(s)/Individual Title] required. In addition, substantive changes that are also deemed material must be approved by the Risk Management Committee.

### A.5 Document Approval History

| Version | Reviewed/Approved By | Date       | Summary of Changes  | Change Level |
|---------|----------------------|------------|---|--------------|
| 6.0     | General Counsel      | 06/11/2018 | <ul style="list-style-type: none"><li>• Sections 2.2 and 4.1: Removed reference to Operating Committee members.</li><li>• Section 3.1: Added Omnibus Incentive Plan for sales of stock acquired.</li><li>• Section 3.3: Added reference to mergers.</li><li>• Section 4.4: Moved Securities Exchange Act reporting requirements content from Section 4.5.</li><li>• Glossary: Updated definition of Material Information.</li></ul> | 1            |
| 5.1     | General Counsel      | 03/08/2017 | <ul style="list-style-type: none"><li>• Formatted document in new template and changed document owner name</li></ul>  | 2            |

Approval history prior to August 3, 2015 (legacy CIT documents only):

| Version | Approvals  | Approval Date            |
|---------|--|--------------------------|
| 5.0     | CIT Board of Directors                                       | 12/08/2014               |
| 4.0     | CIT Board of Directors                                       | 04/17/2014               |
| 3.0     | CIT Board of Directors                                       | 10/16/2012               |
| 2.0     | CIT Board of Directors<br>CIT Executive Management Committee | 04/19/2011<br>04/04/2011 |

## A.6 Confidentiality

The confidential nature of this document must be maintained in accordance with the provisions of the [Employee Handbook](#) as well as any third-party agreement governing work performed by non-employees.

## A.7 Exceptions

Exceptions to this Policy are strictly prohibited. If any employee learns of a violation of this Policy, he or she must promptly report it to the General Counsel and the Risk Management Policy and Governance Department.

## Appendix B. Glossary

**Material Information** – means any positive or negative information that a reasonable investor would likely consider important in making a decision to buy, sell or hold securities or that is likely to affect the company's stock price when publicly disclosed. There is no bright-line standard for assessing materiality; rather, materiality for securities law purposes is based on an assessment of all of the facts and circumstances and is generally evaluated by enforcement authorities with the benefit of hindsight.

While it is not possible to define all categories of Material Information, some examples of information that are ordinarily regarded as material are:

- actual or projected earnings or losses (or substantial charge-offs or other events that could significantly affect earnings) for any period or changes to previously announced earnings guidance;
- a pending or proposed merger, acquisition, divestiture or joint venture;
- a change in senior management;
- the gain or loss of a significant customer or vendor partner;
- impending bankruptcy or serious liquidity problems;
- significant regulatory developments;
- the imposition of a non-routine ban or blackout regarding the trading of a company's securities;
- a change in auditors or notification or determination that the auditor's reports or a company's financial statements may no longer be relied on;
- a planned offering of, or repurchase program for, securities, change in dividend policy, or declaration of a stock split;
- the results of (i) the annual supervisory stress test conducted by the FRB pursuant to its Comprehensive Capital Analysis and Review (CCAR) process, (ii) the annual and mid-cycle stress tests (DFAST) performed by the Company, and (iii) the annual DFAST stress test performed by CIT Bank; and
- significant breaches in cybersecurity or losses of customer, client, counterparty, or employee information.

**Non-Public Information** – means information that has not been widely disseminated to the public through a press release; the print, broadcast or electronic media; or a report filed with the U.S. Securities and Exchange Commission and a sufficient amount of time (generally, at least 24 hours) has not passed after such disclosure for the public to assimilate the information. If material information is disclosed in a press release, it must be reported on a national wire service, published in a national newspaper, or reported by some other nationwide source of investment information before it is deemed public.

**CIT Securities** – means CIT Group Inc.'s securities and any of its subsidiaries' securities that are publicly traded, including common stock, preferred stock, options to purchase common stock, convertible debentures and warrants, senior and subordinated debt securities, and derivative securities that are not issued by CIT such as exchange-traded put or call options or swaps relating to CIT securities.