IMPROVE COMPLIANCE PRACTICES WITH AN INSIDER MANAGEMENT SOLUTION

Computershare Insider Management Solution (CIMS)

**Presenters:**
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Agenda

› Market Abuse Regulation (MAR) Overview
› CIMS Overview
› CIMS Demonstration
› Product Implementation
› Questions
Market Abuse Regulation (MAR)
What do I need to know to prepare?

› The EU Market Abuse Regulation (MAR) took effect on July 3, 2016

› MAR states that any issuer must hold an insider list

› MAR aims to create a level playing field across European markets through:
  - Management of insider information
  - Rules for disclosure
  - Restrictions on dealings
  - Dealing notifications
  - Rules relating to market soundings

› European Securities and Market Authority (ESMA) provide the technical standard for the insider list and how to keep it updated

› Issuers need to have a clear understanding of MARs new reporting obligations

› New obligations for top management (with reporting obligation) re. relatives
Market Abuse Regulation (MAR)
Changes to Insider Register

› New definition of “Permanent Insiders” and “Deal Specific Insiders”

› Insider list:
  - New data template
  - List must be held electronically / digital
  - The insider list must be updated at any time

› Electronic format requirements:
  - Integrity
  - Restricted access to information
  - Historical searches (data must be kept for 5 years)

› Monetary sanctions:
  - Register updates
  - Sanctions raised up to €5M (for individuals)
Market Abuse Regulation (MAR)
Data within Insider Register

For each permanent or deal specific insider, the issuer must collect and maintain the following:

<table>
<thead>
<tr>
<th>First Name(s)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Last name</td>
<td></td>
</tr>
<tr>
<td>Given name (if applicable)</td>
<td></td>
</tr>
<tr>
<td>Work Phone</td>
<td>• Either legal or actual workplace</td>
</tr>
<tr>
<td>Company Address</td>
<td>• Job position and the cause / reason to be at the list</td>
</tr>
<tr>
<td>Position/reason</td>
<td>• Date &amp; time in specified UTC format</td>
</tr>
<tr>
<td>Obtained on the list</td>
<td>• Date &amp; time in specified UTC format</td>
</tr>
<tr>
<td>Ceased from the list</td>
<td></td>
</tr>
<tr>
<td>Date of Birth</td>
<td></td>
</tr>
<tr>
<td>National ID (if applicable)</td>
<td>• As defined by regional regulator</td>
</tr>
<tr>
<td>Personal phone</td>
<td></td>
</tr>
<tr>
<td>Personal address</td>
<td></td>
</tr>
</tbody>
</table>
Market Abuse Regulation (MAR)
Electronic Format of Insider List

<table>
<thead>
<tr>
<th>First name(s) of the insider</th>
<th>Surname(s) of the insider</th>
<th>Birth surname(s) of the insider (if different)</th>
<th>Professional telephone number(s) (work direct telephone line and work mobile numbers)</th>
<th>Company name and address</th>
<th>Function and reason for being insider</th>
<th>Obtained (the date and time at which a person obtained access to inside information)</th>
<th>Ceased (the date and time at which a person ceased to have access to inside information)</th>
<th>Date of birth</th>
<th>National Identification Number (if applicable)</th>
<th>Personal telephone numbers (home and personal mobile telephone numbers)</th>
<th>Personal full address: (street name, street number, city, post/zip code, country)</th>
</tr>
</thead>
<tbody>
<tr>
<td>[Text]</td>
<td>[Text]</td>
<td>[Text]</td>
<td>[Numbers (no space)]</td>
<td>[Text]</td>
<td>[Text]</td>
<td>[yyyy-mm-dd, hh mm UTC]</td>
<td>[yyyy-mm-dd, hh mm UTC]</td>
<td>[yyyy-mm-dd]</td>
<td>[Number and/or text]</td>
<td>[Numbers (no space)]</td>
<td>[Text detailed personal address of the insider - Street name and street number - City - Post/zip code - Country]</td>
</tr>
</tbody>
</table>
Computershare Insider Management Solution (CIMS)

**CIMS BACKGROUND**
- Secure web-based solution
- Tracks & maintains insiders
- Simple and easy-to-use interface
- Provides individual insider access to a personal insider portal to keep them aware of projects, trading policies & trading windows
- Creates the reports in proper format for the appropriate authorities (when required)

**KEY TECHNICAL FEATURES**
- Strong encryption of data
- Full audit trail on all data items
- Single sign-on (planned)
- Adaptive web design
  - PC / Tablet / Smartphone
- Communication platform
  (need to know principle)
- Multi-language capability
- Hosted at Computershare
  (no need for installation)
Computershare Insider Management Solution (CIMS)
Key stakeholders and platform support tools

- Compliance Officer / Legal Counsel
- Insiders / Employees / Relatives
- Financial Authorities
- Report
- Administrator Portal
- CIMS

Insider Portal
CIMS Demonstration*

* See Webinar recording - link in post webinar email
CIMS Administration Portal: Dashboard
CIMS Administration Portal: Data Views
CIMS Administration Portal: Reports

Output the Insider Register to Excel or PDF
### CIMS Administration Portal: Messages & Communication

**Messages**

<table>
<thead>
<tr>
<th>Group Description</th>
<th>Message Type</th>
<th>Message State</th>
<th>Person ID</th>
<th>Person Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>22 Aug 2016: Permanent Cause</td>
<td>StartMessage</td>
<td>Sent</td>
<td>1049</td>
<td>Tom Durrant</td>
</tr>
<tr>
<td>22 Aug 2016: Permanent Cause</td>
<td>StartMessage</td>
<td>RequireApproval</td>
<td>210</td>
<td>Mary Udall</td>
</tr>
<tr>
<td>19 Aug 2016: Deal Specific Cause</td>
<td>StartMessage</td>
<td>Sent</td>
<td>1048</td>
<td>Yasser Khan</td>
</tr>
<tr>
<td>17 Aug 2016: Permanent Cause</td>
<td>StartMessage</td>
<td>RequireApproval</td>
<td>158</td>
<td>Magid Khan</td>
</tr>
<tr>
<td>15 Aug 2016: Deal Specific Cause</td>
<td>StartMessage</td>
<td>RequireApproval</td>
<td>899</td>
<td>Gemma Flannery</td>
</tr>
</tbody>
</table>

**Message Template**

**Subject:**

INCLUSION ON THE INSIDER LIST OF [Company] RELATING TO SECURITIES ISSUED BY [Company]

**Message Template:**

> INCLUSION ON THE INSIDER LIST OF [Company] RELATING TO SECURITIES ISSUED BY [Company]

Due to your position in [Company] you have been included on the [Company]'s insider list relating to securities issued by [Company].

What rules apply?

*Inside information* means information of a precise nature, which has not been made public and relates to [Company], securities or market conditions, which, if made public, would be likely to have a significant effect on the market price of one or more securities.
CIMS Administration Portal: Settings

- Can manage multiple listings within tool
- Supports multiple languages for communications
CIMS Insider Portal

- Access to review own data
- Permanent / Deal Specific Projects
- Accept new company policies
- See Trading Window Status
- Add Transactions
- Stock Info and Company Announcements
Plan ahead to ensure compliance

Project roadmap and timing

<table>
<thead>
<tr>
<th>CIMS Development Roadmap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managing permission to deal</td>
</tr>
<tr>
<td>Tracking for delayed notifications</td>
</tr>
<tr>
<td>Streamlining login through ‘Single Sign On’</td>
</tr>
<tr>
<td>Enhancing the administrator dashboard</td>
</tr>
<tr>
<td>Support for more languages</td>
</tr>
<tr>
<td>Improving management of Insiders data for share plan services (phase 1)</td>
</tr>
<tr>
<td>Drafting Insider Lists</td>
</tr>
<tr>
<td>Tracking for advisors</td>
</tr>
<tr>
<td>Enhancing the secure login process</td>
</tr>
<tr>
<td>Allowing Insiders to see fellow Insiders</td>
</tr>
<tr>
<td>Improving management of Insiders data for share plan services (phase 2)</td>
</tr>
<tr>
<td>Integration from other 3rd party systems</td>
</tr>
</tbody>
</table>
Preparing you for insider management success

Cost and implementation

› How much does it cost? (based on three administrative user licences and 250 insiders)
  - Standard Pricing: £7,000 per annum + £1,000 implementation and set up
  - Introductory Pricing: £5,000 per annum including implementation and set up
    (Valid until 30th September 2016)

› How does the implementation and set up work?
  - Standard system configuration
  - Insider data import
  - Provision of default email templates
  - Administrator training

› How do I sign up?
  - For order form or further details, please contact Kim Hyun Kyung or your client manager
Questions?

Further Product Info:
› CIMC Website
› Product Factsheet

Additional Resources:
› Law Society Q & A
› ESMA Final MAR Report
› ESMA Q & A’s