DMGT

Market Abuse Regulation (MAR): Inside Information and Insiders of DMGT

September 2016
Introduction

In July 2016 the EU adopted the Market Abuse Regulation (MAR). The aim of the Regulation is to stop market abuse, ensure the integrity of the EU financial markets, and enhance investor protection and confidence in those markets. MAR applies to listed companies in EU states, therefore impacting DMGT, its subsidiaries and its employees.

This Governance Guide is formatted in the style of Q&A but should any other queries arise having read this Guide, DMGT Company Secretarial team are available to offer advice about any of the items detailed or indeed anything else relating to MAR (see ‘contact details’ at the end of this Guide).
Market Abuse Regulation

When did the Market Abuse Regulation come into force?
The Market Abuse Regulation (MAR) came into force on 3 July 2016.

What is its aim?
Its aim is to stop market abuse, ensure the integrity of the EU financial markets, and enhance investor protection and confidence in those markets.

What is market abuse?
There are three types of market abuse:
• insider dealing (i.e. dealing in shares whilst in possession of inside information);
• unlawful disclosure of inside information (i.e. leaking inside information); and
• market manipulation (i.e. acting to influence and set a false price of shares).

What are the consequences of market abuse?
• Fines – the Financial Conduct Authority (FCA) can impose unlimited fines on both the company and the individual;
• civil or criminal investigations; and
• imprisonment if the behaviour falls within the scope of the insider dealing provisions of the Criminal Justice Act.

Who is responsible for the Regulation?
ESMA, the European Securities and Markets Authority. We expect the standards set by MAR to be maintained post-Brexit.

Why does it apply to DMGT?
MAR applies to DMGT because its shares are listed on the London Stock Exchange.

What are DMGT doing to advise employees?
• Updating policies and procedures at HQ and the businesses;
• training and knowledge briefings; and
• updating our systems for recording information in relation to MAR.
Inside information

What is Inside Information?
Information:
• that is precise – there are several tests for this, but one example is that the information is specific enough that it is reasonable to conclude that it may have an effect on share price;
• which has not been made public;
• which relates directly or indirectly to DMGT, one of its subsidiaries or another listed company and which, if it were made public would be likely to have an effect on the share price.

Classifying inside information?
The Disclosure Committee is the body at DMGT which decides if information can be classed as inside information.

Can DMGT delay disclosing inside information?
The Disclosure Committee can decide to delay the release of inside information if:
• immediate disclosure will prejudice DMGT’s legitimate interests (such as an M&A transaction);
• the delay is not likely to mislead the public; and
• DMGT is able to ensure the information remains confidential.

Any delay must be notified to the FCA.

What should I do if I am unsure if I am in possession of inside information at DMGT or any of its subsidiary businesses?
If you are unsure if you are in possession of inside information, please contact any member of the Disclosure Committee:
• Claire Chapman, General Counsel & Company Secretary;
• Stephen Daintith, Group Finance Director; and
• Adam Webster, Head of Management Information & Investor Relations.

What does DMGT do if it has inside information?
DMGT must disclose inside information as soon as possible and ensure the information is made available on the DMGT website and to the officially appointed central storage mechanism.

Note: “As soon as possible” can mean within two hours. Calling a Board meeting to discuss may not be possible, unless an exception applies.
Do I have inside information?

Do you have information about trading that is precise and has not been released to the market?

- No
  - Do you have information about a specific project that is precise and has not been made public?
    - No
      - Do you have information about a particular event that could, if made public, effect DMGT’s share price?
        - No
          - You are not in possession of inside information.
        - Yes
          - You are in possession of inside information and must notify a member of DMGT’s disclosure committee.
    - Yes
      - You are in possession of inside information and must notify a member of DMGT’s disclosure committee.
- Yes
  - You are in possession of inside information and must notify a member of DMGT’s disclosure committee.
Insiders

Who are insiders?
An insider is any person or their connected persons with access to inside information.

Types of insiders
There are two different types of insider:
• PDMRs – persons discharging managerial responsibilities (DMGT Board and Executive Committee members); and
• Code Employees – those likely to have access to inside information by nature of their position at HQ and the businesses (including DMGT HQ employees, members of VIP IT support, and the CEOs and Finance Directors of the operating businesses).

Connected persons
Connected persons to an insider are:
• a spouse or civil partner;
• a child or stepchild under the age 18 years who is unmarried and does not have a civil partner; or
• a relative who has shared the same household for at least one year on the date of the relevant dealing.

What are insider lists?
Insider lists detail the identity of any person with access to inside information. Under MAR specific details must be kept regarding insiders, including:
• personal details;
• details of why they are included on the list;
• the date and time they accessed inside information; and
• the date the list was compiled.

The list must be kept up to date and retained for at least five years, and be provided to the FCA as soon as possible on their request.

Types of insider lists
There are two types of insider lists:
• Permanent Code Employee Insider list – an insider list containing those with access to inside information by nature of their position at HQ and the businesses.
• Project specific insider list – an insider list relating to a particular transaction. You will always be notified of your inclusion and removal from a project specific insider list.

Who keeps the insider list?
The Company Secretarial team are responsible for keeping the insiders lists and they are maintained through the Company Secretarial database, Blueprint.
**Insiders (Continued)**

**Why do I have to acknowledge that I am an insider?**
It is a condition of MAR that DMGT sends notifications to each insider as and when they are entered onto an insider list. For Permanent Code Employees, this may be when they join the Group, or when they are notified that they are on a project specific insider list. **It is compulsory for insiders to acknowledge the notification in writing.**

Practically, this means that you would be sent an e-mail from Fran Sallas, Deputy Company Secretary, DMGT with a memo outlining your status as an insider and the Dealing Code attached. You would be required to confirm acceptance of your status by replying to the email promptly.

The notifications are generated and the acknowledgements stored in the Company Secretarial database, Blueprint, so that they may be provided to the FCA as soon as possible on their request if necessary.

A copy of the Dealing Code is attached to this Governance Guide.

**Closed periods**

**What is a closed period?**
A period in which inside information exists and therefore anyone named on DMGT’s insider lists cannot deal in relevant shares.

**What is a trading related closed period?**
A trading related closed period is the period between the end of a financial period and the announcement of an interim or year-end report.

Separate, shorter closed periods apply to non-mandatory trading updates such as the July trading update.

**What is a project specific closed period?**
A project specific closed period is the period between the date inside information exists (i.e. the point at which information is not just confidential information, but meets the definition of inside information) in relation to a specific project, and the end of that project or the announcement of a transaction at the culmination of the project.

The Disclosure Committee will make this determination.
Share dealing

What should an insider do if they want to deal in DMGT shares?
Complete a ‘Clearance to deal’ application form which contains information about the type of transaction, the number of shares and who the transaction is in connection with.

This should then be given to Company Secretariat to process. A copy of the form is attached to this Governance Guide.

Note: if you work in one of DMGT’s subsidiaries, you may be subject to your company’s own share dealing procedures for dealing in subsidiary shares. If you are unsure if this applies to you, please contact your legal department.

Can I deal in DMGT or DMGT subsidiary shares?

IS DMGT IN THE PERIOD BETWEEN THE END OF A FINANCIAL PERIOD AND ANNOUNCING THE RELEVANT RESULTS?

ARE YOU AWARE OF A PROJECT AT DMGT AND HAVE BEEN PLACED ON A PROJECT SPECIFIC INSIDER LIST?

HAVE YOU COMPLETED A CLEARANCE TO DEAL FORM AND OBTAINED PERMISSION TO DEAL?

YOU CANNOT DEAL IN DMGT OR DMGT SUBSIDIARY SHARES.

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Contact Details
If you would like any further information about any of the above, please contact:

**Group Legal**
Claire Chapman  
General Counsel & Company Secretary, DMGT  
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**Group Company Secretarial**
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