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APPENDIX I: RUMOURS POLICY

Rumours Policy

Firm's policy and procedures on handling and dissemination of misleading market rumours.

The FCA has made it clear they intend to prosecute anyone involved in market abuse. In broad terms this will mean taking action against anyone who:

- Knowingly disseminates false or misleading information.
- Initiates transactions designed to give a false or misleading impression.
- Otherwise attempts to distort the market in a security.

In most cases, such behaviour is likely to breach the UK legislation in relation to market conduct, including the use of 'inside information', as well as the FCA's regulations and requirements where these apply. Suspicious behaviour in relation to market abuse may be subject to lengthy investigations and severely damaging to the reputation of the Firm.

Partners, staff, contractors and ARs (collectively, for this policy only, 'staff members') should therefore ensure that their conduct in relation to any investment recommendations and transactions (which includes personal account dealing), and their activities in general as a staff member of the Firm are at all times above suspicion and in accordance with the standards and requirements of the Firm, the marketplace and the regulatory authorities and otherwise beyond reproach. This includes any action, dissemination and open discussion with regard to market rumours.

Policy and Procedure

If a staff member therefore suspects that a rumour coming into their possession constitutes either an attempt to mislead the market, or genuine and specific information that the market would react to if made public, they must contact the Compliance Officer and follow their instructions in this regard, before doing anything else.

The Firm's policy in regard to market rumour is as follows.

If a staff member believes or suspects that they have been made party to a rumour or communication that may have been intended to mislead them, the Firm and/or other market participants, and/or to distort the market in a qualifying investment, they must adhere to the following instructions and guidelines:

- If the staff member suspects that Market Abuse is intended, they must **inform the Compliance Officer without delay**, making a confidential written record of:
 - How they received the information or rumour (telephone, email, informal contact, etc).
 - Date and time they received it.
 - Name of the individual and/or entity responsible for the communication.
 - A summary of the details of the information or rumour as communicated to them.
 - Any aspect of the communication that they find unusual and/or has led them to be suspicious in relation to possible market abuse.
- They must not discuss the matter with anyone else unless the Compliance Officer instructs them to do so.
- In no way should they attempt to pass, spread, publicise or otherwise disseminate a suspicious communication or rumour to any other person.
- A staff member must not engage in any transaction, advice or recommendation for themselves, the Firm or any client of the Firm, on the basis of the communication or rumour.

- If they require to transact in/or advise on any security or investment that is the basis of a reported communication or rumour, they must seek prior authorisation from the Compliance Officer.
- The Compliance Officer will, immediately, place the qualifying investment on the Firm's restricted list.

Determining What Constitutes a Rumour That May Also Constitute Market Abuse

The Firm will apply the principles below on a global basis irrespective of the rules and legislation that may, or may not, apply to staff members and the Firm. The following will apply to all publicly quoted investments and any derivatives and related OTC financial instruments that invest in or comprise publicly quoted investments ('a qualifying investment').

Typically, the practices that are likely to come under suspicion or investigation in relation to market abuse, in the context of rumour, include:

Manipulating Devices

- 'Pump and dump' (taking a long position and maliciously spreading unfounded information with a view to increasing the share price).
- 'Trash and cash' (taking a short position and maliciously spreading unfounded information with a view to driving down the share price).

Dissemination

- Knowingly spreading false or misleading information through the media, e.g. internet bulletin boards.

Misleading Behaviour

- Knowingly spreading misleading information, and then dealing on that false or misleading information.

When Opinion Generally Becomes Unacceptable Market Rumour

Law enforcement agencies and regulatory authorities are fully aware that market sentiment and opinion represents a significant and mostly legitimate element in the day-to-day movement of securities and indices. The key to discriminating between what is generally acceptable and abusive market practice in this context is in the underlying intention or behaviour behind a rumour. Market participants will be judged on these matters according to the following standards:

- Is the behaviour likely to give a regular user of the market a false or misleading impression as to the supply of, demand for or price or value of a qualifying investment?
- Would the behaviour be, or is it likely to be, regarded by a regular user of the market as behaviour that would distort, or would be likely to distort, the market in such an investment?
- Is the behaviour likely to be regarded by a regular user of the market as failure (or recklessness) on the part of the person concerned to observe the standard of behaviour reasonably expected of a person in their position in relation to the market?

Civil and Criminal Offences

Staff members should be particularly alert to any possibility of potentially false or 'insider' rumours being circulated where the company or security involved is subject to speculation or trading volatility, often but not exclusively in advance of an expected announcement or a possible takeover bid.

Staff members should be aware that when markets and trading conditions are themselves subject to unusual or unexpected volatility (such as during the COVID-19 pandemic), they should automatically

assume, by way of precaution, that the potential for the circulation of false rumours, and the possible occurrence of other forms of market abuse, are likely to increase and be more widespread.

Where the security or investment concerned is listed on a prescribed market, staff members should be particularly clear that the following behaviour may incur both civil and criminal penalties in relation to market abuse and/or insider trading:

The test of a person's behaviour is whether a regular user of the market would consider that:

- Information known to them, but not generally available, is likely to have a relevant material impact on transactions in the securities that are the subject of the information.
- Their behaviour in the market as a consequence falls below the standard that would be expected of a person in their position.

Passing on Rumours: Guidelines and Precautions

If staff members have no reason to believe that the information is false, intended to mislead, or constitutes 'insider information', they should still take care, when discussing this information, internally and externally, because it could still be unsubstantiated and/or malicious rumour. The staff member should observe the following good practices:

- They should clarify that what they have heard is rumour or not and, where there is any doubt at all as to its validity, avoid re-presenting it as substantiated or factual.
- They should, wherever practicable, state the source of the rumour, and/or who it was that passed it on to them.
- They should refrain from disseminating any unsubstantiated rumour widely in any way, shape or form (e.g. avoid passing it on to sell side analysts or media representatives).
- They should always act with maximum discretion in relation to rumours regarding any security or investment that the Firm may be trading or actively intending to trade.
- Consider the likely actions of any recipient of a rumour that they pass this rumour on to.
- Be prepared to be fully accountable for their actions if and when required to do so.