

Compliance Guidance Notes

How to treat 'Restricted Information'

Introduction

Purpose

Interactions arranged through AlphaSights take place on a secure and compliant platform specifically designed to safeguard the legal rights and interests of our clients and industry professionals such as you with whom they engage.

The purpose of these Compliance Guidance Notes is to provide you with additional information concerning the important topic of 'How to treat Restricted Information' in connection with your forthcoming Interaction with our Client. These Notes supplement the Compliance Undertakings and Terms of Engagement to which you recently agreed. Please ensure that you have read and understood all three documents prior to your Interaction.

If you have any questions or comments about anything raised by these Notes, please contact compliance@alphasights.com.

Please note: Nothing in these Notes or any conversations you may have with AlphaSights about them constitutes legal advice or should be relied on by you. If you are uncertain about your rights, obligations and duties in connection with your participation in any Interaction, you should obtain your own independent legal advice.

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Overview

Key Principle

During Interactions, you should not discuss or disclose *Restricted Information* about any company or security.

Explanation

'Restricted Information' is defined as any information that you have a contractual, fiduciary or other legal duty **not to disclose to third parties**.

AlphaSights serves a global client base that includes the world's leading private equity firms, asset managers, strategy consultants and corporate executives.

As part of their business, our clients are involved in making or advising on investments in public and/or privately-held securities. In many cases, their interest in participating in Interaction(s) with you stems from their identification of a specific investment opportunity and could result from many months of independent research and analysis.

Accordingly, if during an Interaction you give our Client any sort of Restricted Information, applicable securities laws, regulations and their own systems and controls may prevent them from making planned investments, annulling months of prior work and potentially causing them to suffer the costs of abandonment.

Additionally, if you disclose Restricted Information in breach of an obligation you owe to a third party, you may be personally liable to that third party and to criminal/regulatory sanctions.

Types of Restricted Information

Three main types of Restricted Information are covered in these Notes: Material Non-public Information, Confidential & Proprietary Information and our Client's Information. These are discussed below.

Material Non-public Information

Definition

Material Non-public Information (“MNPI”) or Inside Information is defined differently in different jurisdictions, albeit around a common theme. For our purposes, however, you should consider MNPI as being information which:

- is not generally known in the marketplace; and
- if known, might either (i) affect the investment decision of a reasonable investor or (ii) have a positive or negative effect on the price of a publicly-traded security (debt or equity).

(See Box 1 below for more information.)

How to treat MNPI

Being in possession of Material Non-public Information is not, of itself, illegal. However, in most jurisdictions it is a crime (usually known as ‘Insider Trading’) to buy or sell securities about which you know such information. In the US, you additionally need to have misappropriated or misused the relevant piece of information – i.e. obtained or traded on it in violation of a contractual, fiduciary or legal duty – in order for the crime of Insider Trading to arise.

It may also be a crime to disclose (i.e. ‘tip’) Material Non-public Information to a third party.

As well as criminal penalties, Insider Trading or tipping Material Non-public Information may result in civil or regulatory sanctions (such as fines or disgorgement of profits) for both tippers and ‘tippees’.

Consequences of Disclosure

If our Client were to receive any Material Non-public Information from you, **they would not be able to trade in any securities to which such information relates** – even where they had had a pre-existing intention to do so and were simply speaking with you to confirm an existing investment thesis.

They may also have to place the relevant securities on a restricted list meaning that other people in their team/firm may also not be able to trade in them.

As such, your disclosure of Material Non-public Information about any company/security (even if not the subject of the Interaction) may cause significant disruption to our Client, not to mention criminal/civil liability for you.

You should therefore not **under any circumstances** disclose any Material Non-public Information to our Client.

Box 1

Could it be MNPI?

Here is a *non-exhaustive* list of situations that could give rise to MNPI. You **should not provide any information about these matters** which is not widely in the public domain:

- Changes of control, including mergers, splits and spin-offs
- Sale, disposal, destruction or changes in valuation of major assets
- Changes in expected earnings or losses
- Changes in management
- Changes in customer or purchase orders
- Entering or withdrawing from new markets/territories
- Activities of an auditor
- Changes in share capital and/or dividend rights
- Insolvency measures or proceedings of a company or its debtors
- Legal disputes and public/product liability claims
- Changes in IP portfolio, including new licences, patents and trademarks
- Awarding or termination of key contracts
- Anything else that is likely to have a substantial effect on the market price of a publicly-traded security.

Confidential & Proprietary Information

As well as Material Non-public Information, there may be other information in your possession that you have a duty to keep confidential, for example because of an employment, consultancy or severance agreement you may have.

Definition

As a general rule, information will be confidential and/or proprietary if:

- you received it in confidence;
- you agreed in writing or orally to keep it confidential; or
- it relates to your employer.

Only you can assess definitively whether a piece of information is confidential/proprietary but it is likely to include trade secrets, customer lists, specific marketing, sales and product information and detail about business processes and corporate strategy. It will not generally include (i) your overall skills, experience and perspectives based on your career to date or (ii) information that is in the public domain.

(See Box 2 below for more information.)

How to treat Confidential Information

When engaging in Interactions with our Client, you should limit what you discuss to permitted

categories of information only, namely (i) your general skills, experience and perspectives and (ii) public information.

If you are asked a question during an Interaction that would require the disclosure of Confidential or Proprietary Information, you should refrain from answering that question. As a condition to using our service, our clients are prohibited from knowingly soliciting confidential/proprietary information so they will understand if there are topics that you cannot discuss.

If you are in any doubt about whether information is confidential, you should obtain clarification from that information's owner, **before** disclosing it to our Client. In the absence of any indication to the contrary, our Client will assume that you were entitled to disclose any information they receive from you.

Consequences of Disclosure

As with Material Non-public Information, if you disclose Confidential and/or Proprietary Information to our Client, they will be prohibited from acting on this information and may, as a result, not be able to pursue a planned investment opportunity, whether it relates to public or private securities.

The owner of the confidential/proprietary information could also have a claim against you in relation to its disclosure.

Box 2

Could it be Confidential?

Unless already in the public domain, the following (**non-exhaustive**) types of information are highly likely to be confidential/proprietary:

- Financial information, including, revenues, profits, losses and margins
- Internal forecasts, projections or results
- Customer lists, contact details and sales volumes
- Existence and status of contractual negotiations
- R&D, product innovation and pending IP registrations
- Clinical trial results/progress
- Supplier relationships
- Changes in management, actual or planned
- Financing arrangements, actual or planned
- Other information concerning specific business processes or corporate strategy

Client's Information

Another category of Confidential & Proprietary Information is that which belongs to our Client.

You should assume that any information you receive from our Client (or from AlphaSights about our Client and their interest in a particular project) is confidential.

As per your Terms of Engagement, you are prohibited from disclosing any of our Client's Confidential or Proprietary Information to any third party following an Interaction. You should also not use any information for your own benefit, including by dealing in any securities that may be affected by it.