Group Policy  
for Disclosure of Inside Information

1. Purpose

The EU Market Abuse Regulation 596/2014 (‘MAR’) requires issuers of securities admitted to trading on a regulated market in an EU member state to disclose inside information to the public as soon as possible.

As a company admitted to trading on the Main Market of the London Stock Exchange (‘LSE’) and the Main Market of the Cyprus Stock Exchange (‘CSE’) the Bank of Cyprus Holdings Public Company Limited (the “Company”, together with its subsidiaries including the Bank of Cyprus Public Limited Company (‘Bank’), the “Group”) is subject to MAR and must take reasonable steps to establish and maintain adequate procedures, systems and controls to comply with its obligations under MAR. There are regulatory/implementing technical standards on various aspects of MAR including disclosure requirements, which the Group must abide by. There are also relevant guidelines issued by ESMA at EU level. Additionally the FCA has issued guidance on the interpretation of the relevant provisions of MAR, which is contained in the DTR sourcebook of the FCA Handbook of Rules and Guidance.

This Policy is designed for the Group to comply with its obligations under MAR and all supplementary technical standards and guidance. Compliance with MAR does not automatically mean that the Group will be in compliance with relevant rules of the LSE and CSE. This Policy relates only to disclosure obligations and procedures under MAR and should be read together with other policies in relation to the relevant LSE/CSE rules. Further, this Policy does not deal with regular financial reporting procedures/requirements.

The Group also has a policy dealing with MAR compliance in general (including the requirements relating to inside dealing) which should be read together with this Policy. (Please see Transactions in BoC Financial Instruments by Persons in Possession of Inside Information (Market Abuse)).

2. Sectors Affected

This Policy applies to all officers and employees of the Group who may come into contact with inside information.

3. Policy

The Bank is committed to supporting the timely and accurate disclosure of Inside information in order to facilitate efficient capital market activities. It is the policy of the Group to disclose all inside information publicly and timely and not selectively.
The objectives of this Policy are:

- To ensure that the Company complies at all times with the MAR disclosure obligations to which it is subject as a listed company.
- To ensure that information disclosed by the Company is timely, balanced, unbiased and contains sufficient details to allow informed investment decision-making. All information will be released as soon as it is known, unless there are exceptional reasons for maintaining confidentiality. The Bank is committed not to omit or otherwise withhold information solely because it may reflect negatively on the Bank.
- To ensure that disclosure of inside information is made in a manner that ensures wide dissemination of the information and so that selective disclosure is avoided. Information is announced to the competent authority and at the same time is made available on the company website and disseminated to the Investor Relations mailing list and to the Group employees.
- To protect the confidentiality of competitively sensitive information within the context of the Company’s disclosure obligations.
- To provide a framework that supports and fosters confidence in the quality and integrity of information released by the Company; and
- To provide appropriate guidance for the company staff in executing their duties in accordance with the Company’s disclosure obligations.

4. Definitions

**Inside information** – information of a precise nature, which has not been made public and which, if it were made public, would be likely to have a significant effect on the prices of the shares of the Company or on the price of related derivative financial instruments. To be considered as inside information all aspects of the above definition must be met.

**Precise nature** – information is deemed to be of a precise nature if it indicates a set of circumstances which exists or which may reasonably be expected to come into existence, or an event which has occurred or which may reasonably be expected to occur, where it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event on the prices of the relevant financial instrument.

**Significant effect** - Information which, if it were made public, would be likely to have a significant effect on the prices of the relevant financial instruments means information a reasonable investor would be likely to use as part of the basis of his or her investment decisions.

**Annex 2** of this Policy sets out some examples of information that may potentially constitute Inside Information.

**Selective disclosure** - where a recipient owes a duty of confidentiality (regardless of whether such duty is based on a law, on regulations, on articles of association, or on a contract) to the Group, the Group may disclose Inside Information to that recipient in the normal course of its business. Selective disclosure cannot be made to any person simply because they owe the issuer a duty of confidentiality\(^1\). For example, an issuer contemplating a major transaction which requires shareholder support or which could significantly impact its lending arrangements or credit-rating may selectively

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\(^1\) FCA DTR 2.5.7G
disclose details of the proposed transaction to major shareholders, its lender and/or credit-rating agency as long as the recipients are bound by a duty of confidentiality.

A non-exhaustive list² of recipients to whom an issuer may, depending on the circumstance, be justified in disclosing Inside Information (in addition to those employees of the issuer who require the information to perform their functions), can be found in Annex 4.

Selective disclosure to any or all of the persons referred to in Annex 4 may not be justified in every circumstance where an issuer delays disclosure in accordance with MAR (see Annex 5) and that the wider the group of recipients of Inside Information the greater the likelihood of a leak which will trigger full public disclosure of the information (see below for “Dealing with rumors”)³.

Note that upon the disclosure of Inside Information to them in the context of selective disclosure, such recipients will become insiders and will be included on the Company’s insider lists.

Prior to make any selective disclosure of Inside Information, it needs to be ensured that:

a) the proposed recipient has entered into a confidentiality undertaking with the Company in relation to the Inside Information (where appropriate);

b) the written consent of the recipient to such disclosure has been received; and

c) the approval from the Disclosure Committee has been obtained.

Note that to the extent that such selective disclosure amounts to “market sounding” under MAR, the BoC Procedure on market soundings must be applied.

**General delay**

An issuer can delay disclosure of inside information in certain circumstances. This is commonly referred to as the ‘general delay’⁴ which is available to all issuers that are listed on a relevant EU market.

In this regard, the Company may delay disclosure to the public of Inside Information provided that all of the specified conditions are met, which are:

- immediate disclosure is likely to prejudice the legitimate interests of the Company;
- delay of disclosure is not likely to mislead the public;
- the confidentiality of that information is ensured.

With respect to a ‘general delay’, the Company must inform the ‘competent authority’ that disclosure of the information was delayed and must provide a written explanation of how the conditions were met, immediately after the information is disclosed to the public.

**Annex 5** sets out the detailed guidance issued by ESMA and the FCA on the scope of Article 17(4).

**Delay re: financial system stability**

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² FCA DTR 2.5.7G
³ FCA DTR 2.5.8G and DTR 2.5.9G
⁴ Article 17(4) MAR
Credit institutions or financial institutions such as the Company, may also delay disclosure of insider information in order to preserve the stability of the financial system\(^5\).

In this regard, the Company may delay disclosure to the public of the relevant Inside Information provided that all of the following conditions are met:

- the disclosure of the Inside Information entails a risk of undermining the financial stability of the issuer and of the financial system;
- it is in the public interest to delay the disclosure;
- the confidentiality of that information can be ensured; and
- the competent authority has consented to the delay.

To delay disclosure under Article 17(5), the Company must inform and obtain prior consent from the ‘competent authority’ and provide a written explanation of how the conditions are met. The assessment of those conditions should be as complete as possible to the best of the Company’s knowledge. If the competent authority does not consent to a delayed disclosure, then the Company must make a disclosure immediately.

**Competent authority**

For both Articles 17(4) and 17(5), given that the Company is dual-listed on the LSE and the CSE, the ‘competent authority’ for these purposes means the competent authority of the trading venue that is the ‘most relevant market in terms of liquidity’.\(^6\)

**Short-term delays**

In addition,\(^7\) if the Company is faced with an unexpected and significant event, a short delay may also be acceptable if it is necessary to clarify the situation.

### 5. Roles & Responsibilities

**Disclosure Committee**

The Company and the Bank have established a committee under their respective board of directors (the “Board”) consisting of at least three senior managers (the “Disclosure Committee”). The Disclosure Committee is responsible for dealing with matters discussed in this Policy (see Annex I). The Disclosure Committee has delegated some of its responsibilities to the Manager Investor Relations who should act as Secretary of the Committee.

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\(^5\) Article 17(5) MAR  
\(^6\) The technical standards for determining the “most relevant market in terms of liquidity” are not yet finalised (the RTS is made under MiFID II); according to the draft technical standards, it is determined by reference to the share’s “turnover” on the relevant trading venue. The finalisation of the technical standards will need to be monitored, but in the interim should a delay of disclosure be required the Company should consult with the UK Listing Authority and CySEC.]  
\(^7\) DTR 2.2.9G.
The proposed Committee should be lean and small as it comprises of Top Executives with limited availability who may need to immediately act and the Committee may invite supporting Divisions/Executives such as the Group Chief Risk Officer, the Director of Compliance/Group Corporate Governance Compliance Officer the Chief Legal Officer, in her dual capacity as Company Secretary (the “Disclosure Committee”). The composition will be as follows:

a) the CEO or Deputy CEO & COO
b) the Finance Director and
c) Manager Investor Relations (as secretary of the Committee)

For matters of efficiency the Disclosure Committee should delegate some of its responsibilities to the Manager Investor Relations who should act as Secretary of the Committee. The Terms of Reference of the Committee must be regularly and at least annually reviewed to ensure that the Committee operates effectively and efficiently especially when rigorous decisions need to be taken.

Officers and employees of the Company and its subsidiaries must keep their Manager or Divisional Director fully and promptly informed about any transaction, development or information that could reasonably be considered as Inside Information. An officer or employee is not expected to make a judgement as to whether information is Inside Information. Rather, any project, event or change in trading at business unit level should be reported to their Manager or Divisional Director if the officer or employee believes it to be sufficiently material to the business unit concerned that an investor in the Company may want to know about it. If in any doubt, the Manager or Divisional Director should promptly notify the Manager Investor Relations.

As well as a general obligation on all officers and employees to report possible Inside Information, the Disclosure Committee may require specified officers and employees of the Group who work in areas where Inside Information may arise to monitor the information in the area and have primary responsibility for reporting possible Inside Information to the Manager Investor Relations. This may include requiring the officer or employee to report material trading changes identified during a reporting period and ‘flash’ numbers indicating a material divergence from expectations as soon as they are identified (and not waiting for the regular reporting point).

However, an officer or employee should not assume that someone else will make a report to the Manager Investor Relations and may, as appropriate, circumvent normal reporting lines and contact a member of the Disclosure Committee directly in emergency circumstances.

In some instances, a proposal to enter into an arrangement may comprise Inside Information. Therefore, any new projects such as proposed acquisitions, disposals, joint ventures, financings etc, the agreement of which may require disclosure, should be reported to the Manager Investor Relations.

The Manager Investor Relations having received any such Inside Information shall contact the Disclosure Committee. It is the responsibility of the Disclosure Committee to assess and determine whether any given information is Inside Information as defined under MAR.

Upon receipt of any information notified to it, the Disclosure Committee, acting promptly, should reach an informed decision as to whether the information is Inside Information. In forming such a decision, the Disclosure Committee may seek advice from professional advisers. The Company must notify a
regulatory information service ("RIS") as soon as possible of any inside information which directly concerns the Company and/or the Group.\(^8\)

The Disclosure Committee should also reach an informed decision as to whether the Company is entitled to delay announcement of the Inside Information (see below). In forming such a decision, the Disclosure Committee may seek advice from professional advisers.

The Disclosure Committee may at any time decide to refer particular issues to the Board for its consideration provided that there is time to convene a Board meeting of the Company.

In the event that the Disclosure Committee and/or the Board are unable to reach a timely decision as to whether a disclosure obligation has arisen (for example, if there is not time to convene a Board meeting), the Finance Director (or in her absence, the Deputy CEO & COO) and the Manager Investor Relations have the ultimate responsibility and authority for determining whether a disclosure obligation has arisen.

The Disclosure Committee is also responsible, amongst other things:

- To approve the announcement/disclosure of Inside Information
- Identify areas and sources from which Inside Information may arise and allocate responsibility for monitoring and reviewing these areas and sources;
- Annually or when circumstances determine, to review this Policy;

The Company should establish effective arrangements to prevent access to Inside Information to persons other than those who require it for the exercise of their function within the Group.\(^9\) Officers and employees with access to Inside Information should ensure that such information is properly stored and managed to ensure that there is no unauthorised access to the Inside Information.

The Company is required to compile a list of persons (including officers, employees and persons/advisers acting on the Company’s behalf) with access to Inside Information. The insider list must be prepared in accordance with the format and content requirement of MAR. Details of the Group’s procedures and policy for the insider list can be found in the ‘Group Policy on Transactions on BoC Financial Instruments by Persons in Possession of Inside Information (Market Abuse)’.

Only members of the Disclosure Committee may authorise the disclosure of Inside Information unless they have delegated this authority. No other officer or employee of the Group is permitted, without having obtained prior approval or delegation from the Disclosure Committee, to disclose Inside Information on behalf of the Company to other employees, the public or any third party (such as shareholders, analysts, the media) or otherwise.

**Holding announcements**

Where the Company delays the disclosure of inside information, the Company should prepare a holding announcement to be disclosed in the event of an actual or likely breach of confidentiality or where the Company believes that there is a danger of inside information leaking before the unexpected event can be clarified. Such a holding announcement should include the details as specified by the FCA, namely,

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\(^8\) MAR, DTR2 and DTR6  
\(^9\) DTR 2.6.1G
as much detail of the subject matter as possible; the reasons why a fuller announcement cannot be made; and an undertaking to announce further details as soon as possible.

If the Company is unable to make a holding announcement when the situation arises (e.g. confidentiality has been breached), the Board may, where appropriate, consider to have the trading of the Company’s shares suspended until it is in a position to make an announcement.\(^\text{10}\)

**Inadvertent disclosures**

In the event of an inadvertent disclosure of Inside Information, a member of the Disclosure Committee should be contacted immediately. The Disclosure Committee must then assess whether an announcement is required.

**Dealing with rumours**

The Disclosure Committee through the Manager Investor Relations shall assess whether market rumours or press speculation give rise to a disclosure obligation. Where the rumour or speculation is largely accurate and the information underlying the rumour is Inside Information, then it is likely that there has been a breach of confidence and the immediate disclosure of the Inside Information to the market will be required.

Knowledge that\(^\text{11}\) press speculation or market rumour is false may not amount to Inside Information and that if it does amount to Inside Information, there may be cases where an issuer would be able to delay disclosure (see above).

Accordingly, where market rumours or speculation are unfounded or where there has been no response by the market to such rumours or speculation, the Company can, in general, issue a "no comment" response to any enquiries. Where appropriate, enquiries should always be met with a "no comment" response, pending a review of the situation by the Disclosure Committee.

**Publication of inside information on website**

The Disclosure Committee through the Manager Investor Relations shall ensure that each announcement of Inside Information is posted onto the Company's website as soon as practicable. The Company must, at least for a period of 5 years following publication, maintain all such information on its website.

**Communications with employees**

Employees must not be selectively pre-briefed about Inside Information, unless disclosure of such information to them is necessary for the performance of their duties (in which case such employees should be placed on the Insider Lists maintained by the Company and must acknowledge their duties and responsibilities as persons in receipt of Inside Information).

Prior to its release to the market, Inside Information must not be released to employees (whether by means of an employee update, internal briefing or other means), save in the circumstances referred to above.

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\(^{10}\) DTR 2.6.3G.

\(^{11}\) DTR 2.7.2G
**Communication with third parties (analysts, shareholders and the media)**

In the event that an officer or employee of the Group receives a request from an analyst or other member of the investment community for guidance in relation to his/her report, model, estimates and/or projections (or similar) in relation to the Company or the Group, such officer or employee is not permitted to authorize or otherwise endorse such person's commentary, estimates and/or projections (whether specific or otherwise) or conclusions contained therein. Any such request shall be notified to the Manager Investor Relations.

Where an analyst submits a draft report or model to an officer or employee of the Group for review, such report or model shall be provided without delay through the Manager Investor Relations to the Disclosure Committee for their review. It shall be the decision of the Disclosure Committee whether or not to provide a response.

The Disclosure Committee is permitted to provide corrective information to analysts where factual errors are contained in their reports or models, but only to the extent that such corrective information is already in the public domain or is otherwise not Inside Information.

Unless otherwise agreed in advance by the Disclosure Committee, no less than two representatives of the Company must participate in all meetings and conference calls with analysts, shareholders and the media. Such representatives must ensure that an accurate record of all discussions is kept. A copy of such record shall be provided to the Disclosure Committee as soon as possible following each meeting and conference call.

The names of the representatives shall be approved by the Disclosure Committee.

Prior to a meeting or a conference call, the two representatives must meet with the Manager Investor Relations (authorized by the Disclosure Committee) to discuss the extent and nature of information they can communicate (in the event that the Manager Investor Relations will not participate in the call).

The Company itself may periodically arrange meetings with analysts in order to enable the Company to make presentations on the performance of the Group and engage with analysts in more in-depth discussions. Inside Information may not be disclosed to analysts at such meetings unless such Inside Information has been announced to the market via a RIS in advance of the meeting.

Please also see “Selective disclosure” above.

Note that to the extent that such meetings/discussions amount to “market sounding” under MAR, the BOC procedure on market soundings must be complied with.

### Responsibilities in relation to Disclosures

<table>
<thead>
<tr>
<th><strong>Board of Directors</strong></th>
<th>The Board (acting through the Disclosure Committee) will carefully and continuously monitor whether changes in the circumstances of the Group are such that an announcement obligation has arisen under MAR.</th>
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<td>The overall responsibility for compliance with the Company’s disclosure obligations rests with the Board.</td>
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<tr>
<th><strong>Disclosure Committee</strong></th>
<th>Please see above Section 5.</th>
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<tr>
<td><strong>Company Secretary</strong></td>
<td>The Company Secretary will notify the Manager Investor Relations of any Board decisions that require an announcement and participate in the Committee in her dual role as Chief Legal Officer</td>
</tr>
<tr>
<td><strong>Investor Relations Department</strong></td>
<td>Investor Relations Department, in close co-operation with Group Finance, ensures that the investing public has a clear view of the financial position of the Bank, its strategy and future prospects and to maintain the expectations of investors as close as possible to the reality of the Group</td>
</tr>
<tr>
<td><strong>Manager Investor Relations</strong></td>
<td>The Manager Investor Relations will act as the contact person for the officers and employees of the Group that may have information that may constitute Inside Information and will inform the Disclosure Committee who will reach a decision as to its announcement.</td>
</tr>
<tr>
<td><strong>Group Compliance Division</strong></td>
<td>Group Compliance Division monitors the adherence to the Policy and ensures obligations under MAR are met in a timely manner. Additionally the Group Compliance Director may act as observer to the Committee meetings.</td>
</tr>
<tr>
<td><strong>Finance Director</strong></td>
<td>The Finance Director will participate as a member of the Committee.</td>
</tr>
<tr>
<td><strong>Members of Staff</strong></td>
<td>It is the responsibility of all officers and employees of the Company and its subsidiaries who have access to Inside Information that has not been generally disclosed, whether they are insiders or not, to ensure that they are at all times fully aware of and in full compliance with, the law governing corporate disclosure and the requirements of the Company’s Policy. To ensure the confidentiality of the material circumstances or Inside Information until they are disclosed to the public, the Bank employees who have access to insider information are informed on their responsibilities arising from the legislation.</td>
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Officers and employees of the Company and its subsidiaries must keep their Manager or Divisional Director fully and promptly informed about any material transaction, development or information that could reasonably be considered as Inside Information. Managers and/or Divisional Directors should in their turn inform the Manager Investor Relations in such a case.

Ad hoc incidents involving compliance violations, irrespective of materiality to the Group should be immediately reported to Group Compliance Division and Local compliance function.

6. **Supporting Procedures**

In order to protect against selective disclosure, the following procedures should be followed where it is reasonable and practical to do so:

(a) company spokespersons, who are participating in shareholder meetings, news conferences, analysts’ conferences, private meetings with analysts, industry conferences and on-line conferences and in other circumstances where an oral or written statement may become generally disclosed, should script their comments and prepare answers to anticipated questions in advance of the meeting or conference; and

(b) the scripts should be reviewed by the Committee (or by at least one member of the Committee other than the spokesperson).

Where selective disclosure has occurred, the Committee should consider whether it is practical to contact the parties to whom the Inside Information was disclosed and inform them:

(a) that the relevant information is undisclosed Inside Information; and

(b) that they have a legal obligation until the information is generally disclosed not to disclose the information to others or to trade in securities of the Company, or the securities of any other issuer that is affected by the Inside Information.

The Procedure on market soundings (Market Abuse) must be applied.

7. **Supporting Policies**

i. Transactions in BoC Financial Instruments by Persons in Possession of Inside Information (Market Abuse)
ANNEX 1
Disclosure Committee Contact Details

<table>
<thead>
<tr>
<th>Title</th>
<th>Business contact details</th>
<th>Emergency contact details</th>
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<tbody>
<tr>
<td>Group CEO or Deputy CEO</td>
<td>22122723</td>
<td></td>
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<tr>
<td></td>
<td>22122574</td>
<td></td>
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<tr>
<td>Finance Director</td>
<td>22122344</td>
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</tr>
<tr>
<td>Manager Investor Relations (as Secretary of the Committee)</td>
<td>22122740</td>
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</tbody>
</table>

**Note:** Officers or employees should first contact their Manager or Divisional Director. If they cannot be reached, the Manager Investor Relations should be contacted before they try to contact any of the members of the Disclosure Committee. An officer or employee should only leave a voicemail or message if they are unable to contact any of the members of the Disclosure Committee directly and the voicemail or message should make clear that they want to report a possible disclosure obligation. Any emails should be limited to asking a member of the Disclosure Committee to contact the relevant officer or employee in relation to a possible disclosure obligation; no details should be given in such email.
Annex 2
Examples of Potential Inside Information

Under the pre-MAR market abuse regime, the Committee of European Securities Regulators ("CESR") in its guidance on the then Market Abuse Directive 2003/6/EC ("MAD") provided a non-exhaustive, indicative list of events that might constitute inside information. CESR has been replaced by ESMA (as from 1 January 2011) and MAR has repealed MAD.

However, given the definition of “inside information” remains essentially the same under the previous MAD and the current MAR, the list issued by CESR should still be helpful in assessing Inside Information. Note that this list is no longer official guidance from ESMA and should only be used as reference.

The CESR list contains the following examples that may potentially constitute inside information.

Information directly concerning the issuer:

(1) Information directly concerning the issuer.
(2) Changes in control and control agreements.
(3) Changes in management and supervisory boards.
(4) Changes in auditors or any other information related to the auditors' activity.
(5) Operations involving the capital or the issue of debt securities or warrants to buy or subscribe securities.
(6) Decisions to increase or decrease share capital.
(7) Mergers, splits and spin-offs.
(8) Purchase or disposal of equity interests or other major assets or branches of corporate activity.
(9) Restructurings or reorganizations that have an effect on the issuer's assets and liabilities, financial position or profits and losses.
(10) Decisions concerning buy-back programs or transactions in other listed financial instruments.
(11) Changes in the class rights of the issuer's own listed shares.
(12) Filing of petitions in bankruptcy or the issuing of orders for bankruptcy proceedings.
(13) Legal disputes.
(14) Revocation or cancellation of credit lines by one or more banks.
(15) Dissolution or verification of a cause of dissolution.
(16) Changes in asset value.
(17) Insolvency of relevant debtors.
(18) Reduction of real properties' values.
(19) Physical destruction of uninsured goods.
(20) New licenses, patents, registered trademarks.
(21) Decrease or increase in value of financial instruments in portfolio.
(22) Decrease in value of patents or rights or intangible assets due to market innovation.
(23) Receiving acquisition bids for relevant assets.
(24) Innovative products or processes.
(25) Serious product liability or environmental damages cases.
(26) Changes in expected earnings or losses.
(27) Relevant orders received from customers, their cancellation or important changes.
(28) Withdrawal from or entering into new core business areas.
(29) Relevant changes in the investment policy of the issuer.
(30) Ex-dividend date, dividend payment date and amount of the dividend; changes in dividend policy payment.

Information relating indirectly to issuers or financial instruments:
(31) Data and statistics published by public institutions disseminating statistics.
(32) The coming publication of rating agencies' reports, research, recommendations or suggestions concerning the value of listed financial instruments.
(33) Central bank decisions concerning interest rates.
(34) Government decisions concerning taxation, industry regulation, or debt management.
(35) Decisions concerning changes in the governance rules of market indices.
(36) Regulated and unregulated markets' decisions concerning rules governing the markets.
(37) Competition and market authorities' decisions concerning listed companies.
(38) Relevant orders by government bodies, regional or local authorities or other public organisations.
(39) A change in trading mode (for example, information relating to knowledge that an issuer's financial instruments will be traded in another market segment, such as a change from continuous trading to auction trading) or a change of market maker or dealing conditions.
ANNEX 3
EXAMPLES OF INFORMATION LIKELY TO USED BY A REASONABLE INVESTOR

The FCA has provided a non-exhaustive list of information that is likely to be considered relevant to a reasonable investor’s decision; this includes information which affects:
a) The assets and liabilities of the issuer;
b) The performance, or the expectation of the performance, of the issuer’s business;
c) The financial condition of the issuer;
d) The course of the issuer’s business;
e) Major new developments in the business of the issuer; or
f) Information previously disclosed to the market

Additionally it has provided some factors (See DTR 2.2.5G) that may be considered when assessing whether the information in question would be likely to be used by a reasonable investor as part of the basis of his investment decisions:
a) The significance of the information in question will vary widely from issuer to issuer, depending on a variety of factors such as the issuer’s size, recent developments and the market sentiment about the issuer and the sector in which it operates; and
b) The likelihood that a reasonable investor will make investment decisions relating to the relevant financial instrument to maximize his economic self-interest.

The FCA (DTR 2.2.4G) has stated that in determining whether information would be likely to have a significant effect on the price of financial instruments, an issuer should be mindful that there is no figure (percentage change or otherwise) that can be set for any issuer when determining what constitutes a significant effect on the price of the financial instruments as this will vary from issuer to issuer.
ANNEX 4
EXAMPLES OF RECIPIENTS TO WHOM INFORMATION MAY BE DISCLOSED

The FCA has provided a non-exhaustive list (See DTR 2.5.7G) of recipients to whom an issuer may, depending on the circumstances, be justified in disclosing Inside Information (in addition to those employees of the issuer who require the information to perform their functions), which includes:

(a) the issuer's advisers and advisers of any other persons involved in the matter in question;

(b) persons with whom the issuer is negotiating, or intends to negotiate, any commercial financial or investment transaction (including prospective underwriters or placees of the financial instruments of the issuer);

(c) employee representatives or trade unions acting on their behalf;

(d) any government department, statutory or regulatory body or authority;

(e) major shareholders of the issuer;

(f) the issuer's lenders; and

(g) credit-rating agencies.
ESMA Guidelines

ESMA has issued guidelines on the interpretation of “legitimate interest” and “mislead the public” used in Article 17(4) MAR with respect to a delay in disclosing Inside Information (see Part D paragraphs 25(a) and 25(b) of this Policy).

**Legitimate interest**

The cases where immediate disclosure of the inside information is likely to prejudice an issuer’s (here, the Company) “legitimate interests” could include but are not limited to the following circumstances:

a) the issuer is conducting negotiations, where the outcome of such negotiations would likely be jeopardised by immediate public disclosure. Examples of such negotiations may be those related to mergers, acquisitions, splits and spin-offs, purchases or disposals of major assets or branches of corporate activity, restructurings and reorganisations;
b) the financial viability of the issuer is in grave and imminent danger, although not within the scope of the applicable insolvency law, and immediate public disclosure of the inside information would seriously prejudice the interests of existing and potential shareholders by jeopardising the conclusion of the negotiations designed to ensure the financial recovery of the issuer;
c) the inside information relates to decisions taken or contracts entered into by the management body of an issuer which need, pursuant to national law or the issuer’s bylaws, the approval of another body of the issuer, other than the shareholders’ general assembly, in order to become effective, provided that:
d) immediate public disclosure of that information before such a definitive decision would jeopardise the correct assessment of the information by the public; and
e) the issuer arranged for the definitive decision to be taken as soon as possible;
f) the issuer is planning to buy or sell a major holding in another entity and the disclosure of such an information would likely jeopardise the implementation of such plan; and
g) a transaction previously announced is subject to a public authority’s approval, and such approval is conditional upon additional requirements, where the immediate disclosure of those requirements will likely affect the ability for the issuer to meet them and therefore prevent the final success of the deal or transaction.

**Mislead the public**

The situations in which a delay of disclosure of inside information is likely to mislead the public includes at least the following circumstances:

h) the inside information whose disclosure the issuer intends to delay is materially different from the previous public announcement of the issuer on the matter to which the inside information refers to;
i) the inside information whose disclosure the issuer intends to delay relates to the fact that the issuer’s financial objectives are not likely to be met, where such objectives were previously publicly announced; or
j) the inside information whose disclosure the issuer intends to delay is in contrast with the market’s expectations, where such expectations are based on signals that the issuer has previously sent to the public.

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12 MAR Guidelines – Delay in the Disclosure of Inside Information (ESMA 2016/1478)
market, such as interviews, roadshows or any other type of communication organised by the issuer or with its approval.

**FCA Guidance**

The FCA has also issued guidance on the meaning of “legitimate interest”. The FCA has stated\(^\text{13}\) that, for these purposes, “legitimate interest” may relate to the circumstances where negotiations are in course, or related elements where the outcome or normal pattern of those negotiations would be likely to be affected by public disclosure. In particular, in the event that the financial viability of the issuer is in grave and imminent danger, although not within the scope of the applicable insolvency law, public disclosure of information may be delayed for a limited period where such a public disclosure would seriously jeopardise the interests of existing and potential shareholders by undermining the conclusion of specific negotiations designed to ensure the long term financial recovery of the issuer.

Moreover, the FCA has further stated\(^\text{14}\) that an issuer may not delay public disclosure of the fact that it is in financial difficulty or of its worsening financial condition and is limited to the fact or substance of the negotiations to deal with such a situation; nor may it delay disclosure of Inside Information on the basis that its position in subsequent negotiations to deal with the situation will be jeopardised by the disclosure of its financial condition.

\(^{13}\) DTR 2.5.3G.  
\(^{14}\) DTR 2.5.4G.