



# **Powerhouse Ventures Limited (PVL) INFORMATION BARRIERS POLICY**

## **Background**

The PVL Group of Companies is a federation of different business units (fund managers and advisory entities) with potentially different subsidiaries (100% subsidiary entities versus controlled, consolidated entities) and with different individual engagement arrangements (consultants and employees) for the individuals working within each unit.

Notwithstanding this federation, the PVL Group seeks a unifying structural approach to the management of conflicts of interest and for our people complying with the insider trading provisions of the Corporations Act 2001.

## **Accountability**

The PVL Group Board will be responsible for ensuring:

- the monitoring of the effectiveness of the Information Barriers and Data Storage and transmission rules set out herein;
- an education programme to emphasise the importance of keeping information confidential and highlighting the risks of improper release of such information;
- appropriate disciplinary sanctions where there has been a breach or other abuse of compliance procedure.
- documented and well-defined procedures for dealing with the related area of conflicts of interest between client <-> PVL Group and individual <-> PVL Group.

## **General Framework**

The Business Units within the PVL Group deal with each other generally on arms' length financial terms and have the following physical and data protection structures:

- the physical separation of people and information in the each of the Business Units.
- clearly defined wall-crossing procedures for those occasions where this may be needed (discussed further below).
- the operation of a "need to know" policy with respect to the sharing of operational information of each Business Unit.
- access to Business Unit documents, including computer records; which may contain non-public information being restricted (and the restrictions monitored).

- May actively trade index, FX, broad-based ETFs, non-equity securities (e.g. US corporate bonds) outside the mandate of the Public Funds.
- Must not buy or sell publicly listed individual securities where PHA has a mandate
- Must trade behind Aliwa funds on any publicly traded securities held by the fund (and will utilise Aliwa for execution to ensure this)
- All Board materials must be cleansed of identifying information of private side to ensure Public side is not tainted with information regarding Treasury or Advisory operations
- Employees must not trade any publicly traded securities in Treasury portfolio or with Advisory mandates

**Private**

RR, BH, DE

**Powerhouse Advisory**

- Advisory mandates for public & private companies
- Assumed to be in possession of material, non-public information in respect of all active or potential mandates
- Does not buy & sell securities
- May make buy/sell recommendations if it crosses the recipient of the recommendation
- Information must be public or deemed no longer material before recipient can trade (unless advising on takeover mandate in which case knowledge of a party's own intentions does not constitute material, non-public information e.g. building a stake in a potential takeover target)
- Must not share any information about mandates or potential mandates with Public side of PVL
- Must not conduct Business Development Meetings where mandates are secured and investment decisions formed with Public Side unless crossing protocols have been followed
- Employees must not trade any publicly traded securities in Treasury portfolio or with Advisory mandates

Information Barrier

**Public**

DM, WC

**Aliwa Funds Management**

- Buying/Selling securities in public listed small/microcap companies
- Assumed to not be in possession of non-public information
- May be "crossed" on cap raises etc by PHA or third party
- Must not trade stock when crossed
- If employees trade stocks in fund all employee trades must be behind any fund orders

**Burleigh Ventures Fund – to be launched**

- VC investments into unlisted, private securities
- Generally assumed not to be in possession of non-public information

**Notes:**

1. All employees of the Advisory and the Treasury & Corporate areas of the Group will be considered to be "Insiders" (discussed further below) at all times with respect to all non-public information.
2. A permanent Information Barrier therefore exists between the Private Side and Public Side of the PVL Group.<sup>1</sup>
3. Where the Private Side wishes to bring a Public Side employee across the wall, the crossing procedures below must be followed. Even after being "crossed" all information should be communicated on a strictly "need to know" basis.
4. PVL must take particular care of the handling of inside information as it relates to information communicated to the board, since Executive Directors may sit on the public side of the wall. Care must be taken to ensure that no information about transactions where inside information has or may be received is communicated in board papers, either directly or by reference to specific financial outcomes or project names.

**Data Storage & Transmission**

Client and Project Data must be stored securely within the PVL Group enterprise system and shared only with those in the same Business Unit and who have a legitimate need to know.

The following data rules must be observed:

- electronic documents should be held on dedicated electronic storage space that is inaccessible to those not within the same Business Unit and who have a legitimate need to know.
- archived completed transaction files containing confidential information must be secure and inaccessible to those who do not need to know the information.

<sup>1</sup> This does not mean that there can be no communication between the Public Side and Private Side, however, all communication should either be general in nature or concerning information which is not, or could not be construed to be, confidential information or inside information.

- client and project information should be communicated via a consistent, auditable medium, such as email, and not via message services such as WhatsApp.
- Sensitive electronic documents should be password protected;
- all transactions involving listed entities and potentially price sensitive information should have a Project Name applied to that transaction and should only be referred to by this name as far as possible.
- non-public information may only be transmitted to those who are on the other side of an Information Barrier if the recipients have been formally brought “over the Wall”.
- where information is inadvertently be transmitted to those who are on the other side of a Information Barrier the recipients must be formally brought over the Wall;

The Advisory business unit must maintain a Project List consisting of the following information. Each Project should have its own secure folder set up in the system to ensure information about that project is secure and segregated.

Company Name(s)	Project Name	Date Created	Project Lead
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## **Data Access Architecture**

### Administration

Users with administrative privileges must sit outside the Public Side to avoid the risk of Privilege Escalation which could enable a Public Side member to access Private Side information.

### Email

The Organisational default policy means users do not have access to other users' Email preventing the access of a Public Side user accessing information from the Email of a Private Side user.

### Calendar

The Organisational default policy means users do not have access to other users' Calendars preventing the access of a Public Side user accessing information from the Calendar of a Private Side user.

Private Side users should not grant access to Public Side users if requested.

### Files

The Company has established SharePoint sites that map to the different business units. The key sites are:

- Central (all): Company Secretarial, Finance, Investment Portfolio
- Treasury & Corporate: Treasury
- Private Side: Advisory
- Public Side: Funds

## CRM

The CRM is only accessible to Private Side users as Public Side users do not have an account to access.

## Other Applications

The Information Barrier policy is to be applied to other application as and when required.

## **Wall Crossing Procedure**

A Wall Crossing should be performed where any individual who is not on the private side (or above) the PVL Information Barrier is to receive inside information in the course of performing work connected to a Project. A party may also need to be “crossed” where they inadvertently receive inside information (discussed further below)

The key elements of a wall crossing are as follows;

1. Parties are crossed on a need-to-know basis.
2. Records are maintained on the identity of all individuals who are crossed, the date they are crossed, and the date they are informed that the information they have received is no longer confidential, non-public, or price sensitive.
3. A wall crossing is for a single transaction only; individuals must be crossed on each transaction they are involved in.
4. An individual who is crossed is required to acknowledge they have been crossed and agree to the protocols.

Only the Executive Chairman or the Head of Advisory can initiate a Wall Crossing of a Public Side employee. External Advisors should also be formally crossed to ensure that information is properly managed and access to that information is recorded. The Crossing Procedure must be followed.

## Crossing Protocol

1. The Head of Advisory or Managing Director (the Insider) decide they require the assistance of a Private Side employee or external advisor on a particular project.
2. The Insider ensures there is a project name attached to the transaction.
3. The Insider contacts the employee or advisor to be crossed and clears the name of the company(ies) concerned prior to initiating the crossing. This is done without communicating the details of the transaction to ensure that the crossing is not going to create an immediate conflict of interest.
4. The Crossing Email is sent to the public side employee/advisor.
5. Upon receipt of an email acknowledgement from the public side employee/advisor, the information regarding the transaction can be shared with them
6. At the conclusion of the transaction, and when PVL is no longer in possession of inside information, the Insider should send a confirmation email confirming that the individual is no longer “crossed” on the transaction.

## Crossing Email

*Subject: Chinese Wall Crossing – Project XXX*

Dear x,

*You are being sent this email as you are being crossed over the PVL Group Information Barrier on the above Project. While you are crossed you will be assumed to be in possession of inside information in respect of the Project and the company or companies involved.*

*While you are crossed you may not do any of the following;*

- 1. Discuss any information concerning the Project with any person who is not already crossed or on the private side of the Chinese Wall*
- 2. Give any investment or other advice in relation to any matters connected to the Project*
- 3. Act on such information for my personal account, or for any account I manage or influence (including third party funds), including buying or selling any related financial product.*

*You will be informed when you are no longer crossed on this Project. Until that time you must act as if you are crossed.*

*Please respond “I acknowledge this Wall Crossing and agree to comply.”*

#### Crossing Register

The Company must maintain a record of all Wall Crossings in respect of inside information. The following information must be recorded in the crossing register, which must be maintained at all times.

Project Name	Insider Crossing	Individual Crossed	Date Crossed	Date Acknowledged	Date Uncrossed
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This policy is not intended to govern or restrict interactions between the private and public side of the Group in respect of;

- Thematic discussions about industry or market trends and opportunities
- Introductions to potential clients;
- Discussions regarding potential clients, mandates, acquisitions or opportunities where;
  - o The information is not price sensitive inside information as defined in this policy; or
  - o There are no listed financial products traded by any of the entities being discussed.

Formal wall crossing procedures, as set out in this policy, should still be followed where a mandate is secured or a transaction is reasonably likely to proceed, even where there are no listed financial products involved. This ensures that confidential information is appropriately managed and controlled within the Group.

The Chinese Wall procedure ensures that inside information remains on the “private” side of the wall and does not transfer between departments within PVL.

#### **Commercially Sensitive/Confidential Information**

This refers to information that is not public and could affect the interests of PVL's clients or its business. It may be subject to confidentiality agreements or secrecy laws and must not be shared outside PVL without appropriate consent.

Examples of commercially sensitive/confidential information might include:

- information relating to fund raisings or borrowings by a client which will not affect the price of any publicly traded securities of that company (such as issues under a loan facility or refinancing of existing loan facilities)
- information relating to the business affairs of a company which, whilst significant or material is not likely to affect the price of any publicly traded securities of that company (such as the acquisition of assets, small subsidiaries, leasing arrangements, tax arrangements, securitisations);
- information or events relating to a commodity which could be considered to affect the business operations of major suppliers; and
- any information obtained about a company as part of the due diligence carried out for that company which may be key to the operations of the company but would not affect the price of the company's securities.

The following principles should be observed:

- when communicating confidential information it should be made clear to the recipient that the information is confidential.
- all printed and paper documents containing confidential information should only be used in secure areas.
- electronic documents should be held on dedicated electronic storage space that is inaccessible to those who do not need to know that information.
- sensitive electronic documents should be password protected.
- all transactions involving price sensitive information should have a Project Name applied to that transaction and should only be referred to by this name as far as possible.

### **Price Sensitive Inside Information**

Without limiting the general application of the Corporations Act, PVL people must be cognisant of when they may be deemed "Insiders". An insider must not (whether as principal or agent):

- apply for, acquire or dispose of, or enter into an agreement to apply for, acquire, or dispose of, the financial products; or
- procure another person to apply for, acquire, or dispose of, or enter into an agreement to apply for, acquire, or dispose of, the financial products;

The insider must not, directly or indirectly, communicate the information, or cause the information to be communicated, to another person if the insider knows, or ought reasonably to know, that the other person would or would be likely to apply for, acquire, or dispose of, or enter into an agreement to apply for, acquire, or dispose of, the financial products.

Care must be taken with market rumours and with information discovered in areas which are not generally available to users of the market.

These provisions apply to listed securities, financial products, derivatives, managed investment schemes, etc as defined by the Act and Inside information which is both:

- not generally available (in the public domain); and
- a reasonable person would expect it to have a material effect on the price if it were generally available (price sensitive).<sup>2</sup>

## **Appendix – Inside Information Explanatory Material**

PVL will use a structured process (discussed further below) to assess whether the information in its possession may constitute insider information or commercially sensitive/confidential information. Even if information is not price sensitive, the information may still be confidential and require information controls to manage any potential conflict of interest within the Group.

Is the information not publicly available?

Is the information accurate and not conjecture, assumption or opinion?

If known, would the information reasonably be expected to impact the price of a financial product?

If the answer to these questions is yes, you likely have inside information, and are therefore considered an “Insider” for the purposes of that company’s financial products.

For the purpose of the Insider Trading Prohibitions, information is generally available if:

- a) it consists of readily observable matter; or
- b) both of the following apply:
  - a. it has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in financial products of a kind whose price might be affected by the information; and
  - b. since it was made known, a reasonable period for it to be disseminated among such persons has elapsed; or
- c) it consists of deductions, conclusions or inferences made or drawn from either or both of the following:
  - a. information referred to in part (a) above;
  - b. information made known as mentioned in part (b) above.

If an employee of an entity holds inside information it is deemed by the Corporations Act that the entity itself holds the inside information.

A person (which includes a group of persons carrying on business in partnership or a body corporate) is an “insider” if he, she or it:

- possesses inside information about certain types of financial products (as discussed in Section 1 of this Policy) of a body corporate; and
- knows, or ought reasonably to know, that the information is not generally available and that if it were generally available it might have a material effect on the price or value of those financial products.

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<sup>2</sup> A reasonable person would be taken to expect the information to have a material effect on the price or value of the financial product if the information would, or would likely, influence persons who commonly acquire the financial products specified in Section 1 of this Policy, whether or not to acquire or dispose of those financial products.



### Price Sensitive Information

This is information relating to a financial product, which is:

- likely to affect the price of that financial product if it becomes generally known or, if disclosed, is likely to be regarded as relevant to other users of the market in deciding the terms on which transactions in that security are undertaken;
- current, non-public information which differs from information currently available and which, if publicly released, would be considered new or fresh information;
- material, specific and precise in relation to the relevant security; and

Examples of price sensitive information might include (in relation to company's whose securities are publicly traded on an exchange or in the OTC markets):

- information relating to takeovers, mergers & acquisitions and disposals;
- information concerning the business affairs or prospects of a company, such as the progress of development of a new product, entry into a new contract with a distributor or threatened or actual litigation
- information relating to the restructuring of, or a new capital raising by, a company
- information or events relating to a commodity which could be considered to affect the supply and demand of that commodity and hence the price of that commodity in the markets
- information or events relating to a commodity which could be considered to affect the supply and demand of that commodity and hence the price of that commodity in the markets
- information which is required to be disclosed under the rules of an exchange which has not yet been disclosed
- changes to the published credit ratings of companies

### Public Domain Information

Information is treated as being generally available (in the public domain) if it can be obtained by research or analysis conducted by or on behalf of users of the market. Information is also considered to be generally available if the information:

- has been disclosed to a recognised exchange through an accepted channel for the dissemination of information (ASX, Bloomberg, Reuters, etc);
- is contained in records which are open to inspection by the public;
- has otherwise been made public, including through the internet, or some other publication or is derived from information which has been made public (i.e. by analysis or by making deductions, conclusions or inferences from that information);
- has been obtained by research analysis, observations or other legitimate means (eg. information which has been published overseas and not in Australia and includes information which is only available on payment of a fee).