



The Network Effect Expert Compliance Training

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To retain your TNE Expert status, you are required to complete this compliance training every year.

Compliance Topics:

1. Expert Agreement and Reminder on each Call
2. Avoiding Potential Conflicts of Interest
3. No inappropriate information disclosure

GOAL of TODAY'S TNE TRAINING

We want you to feel comfortable answering analysts' questions during consultations.

We strive to conduct consultations that elicit no improper questions and no improper answers.



SAFEGUARDS PROTECT YOU AND US: EXPERT AGREEMENT AND REMINDER

- Expert Agreement: the contract you signed with us contains many protective provisions to ensure consultations will go smoothly;
- You are also reminded by analyst at beginning of every consultation not to reveal any confidential, material nonpublic information about your company, your competitors, or any other company.
- Error on the side of caution and DO NOT discuss companies that you have an NDA with.
- You are also reminded to stop a consultation at any time for any reason – especially if you feel the analyst’s questions ask for inappropriate information.

Recognizing Potential Conflicts of Interest

You might have a conflict with TNE if you have a:

- legal,
- employment,
- contractual,
- fiduciary,
- non-disclosure or
- other agreement or obligation or duty

that restricts you from acting as an independent consultant for TNE.

During on-boarding and annually you need to review your obligations to others to ensure you do not have one of these or a similar conflict. Please reach out to CDcompliance@optima.com if you have a change in employment or a potential conflict arises.

Conflicts of Interest

- In your Expert Agreement you represent that if you are required to obtain approval from your employer or any other entity to whom you owe a duty, you have obtained this approval in order to participate as an independent contractor expert with TNE.
- This is how we appropriately address potential conflicts of interest so that we can conduct conflict-free consultations and re-assure our clients as such.

BIGGEST LEGAL RISK IS INSIDER TRADING

- **Illegal insider trading refers to buying or selling a security, in breach of a fiduciary duty or other relationship of trust and confidence, on the basis of material, nonpublic information (MNPI) about the security.**
- **Although TNE experts are executives in private companies, your business activities and companies effect, have relationships with or connections to public companies such that you still need to ensure you are not revealing MNPI to anyone outside your company.**
- **OUR CLIENTS TRADE SECURITIES OF PUBLIC COMPANIES BASED IN PART ON THE REPORTS IN WHICH WE COMPILE AND ANONYMIZE YOUR INFORMATION.**

HOW DO I DETERMINE WHAT IS MATERIAL?

- All of our experts have specialized knowledge that is valuable. How do you distinguish between valuable information and MNPI?
- Look at the characteristics of the information: general vs. specific; the more specific the information, the more likely it is to be material
- General = percentages, estimated totals, or trends you observe
- Specific = proprietary numbers or formulas, specific sales figures

USUALLY MATERIAL

- ✓ Specific performance data;
- ✓ New product developments, discoveries or advances in research;
- ✓ Acquisitions, mergers, tender offers, public offerings;
- ✓ Sales of substantial assets;
- ✓ Changes in debt ratings;
- ✓ Significant write-downs of assets or additions to reserves for bad debts or contingent liabilities;
- ✓ Strategic plans;
- ✓ Negotiation or termination of major contracts;
- ✓ Labor negotiations;
- ✓ Significant litigation or investigations by governmental bodies;