

# Insider Trading & Tipping Prevention Program Frequently Asked Questions

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## 1. What is the Insider Trading & Tipping Prevention (ITTP) Program?

More than a policy under the [Enterprise Compliance Framework](#), the ITTP Program establishes OLG's approach, roles, responsibilities and processes to prevent insider trading and tipping activity. The program has four pillars:

- **Identify Restricted Entities.** Restricted Persons are prohibited from buying or selling some publicly traded entities securities because of the business relationship between OLG and the entity.
- **Identify Restricted Persons.** OLG employees or Board Members who are prohibited from buying or selling securities of a Restricted Entity, other than trades classified as exempt. Restricted Persons may have access to material non-public information (MNPI) about Restricted Entities, or work with/near OLG employees with potential access to MNPI.
- **Educate Employees.** Increase awareness of situations that may be susceptible to insider trading and tipping, and to provide guidance to inform ethical decision-making.
- **Promote Disclosure and Attestation.** Develop mechanisms for employees to ask questions before engaging in trading activity, disclose suspected insider trading and tipping activity, and attest to compliance with program requirements.

Read the [ITTP policy](#) and visit [InsideOLG](#) to learn more.

## 2. What is Insider Information?

It's information that everyday investors wouldn't have because it is not public, but if they did might influence them to buy or sell securities (e.g stocks). The official term is Material Non-Public Information (MNPI).

## 3. What's considered Material Non-Public Information?

MNPI is information about business decisions, organizational structures, operations, revenue or expenditures. It's illegal for holders of MNPI to use the information to their financial advantage. Specific examples can include non-public information about significant changes to the capital structure, corporate structure, financial performance and operational initiatives such as new products or mergers and acquisitions.

Read the [ITTP policy](#) for more examples (Appendix B) and refer to the [MNPI job aid](#).

#### 4. What does Insider Trading and Tipping mean?

**Insider Trading** is using insider information (or MNPI) to purchase or sell (i.e. trade) a security by or on behalf of an OLG employee – this activity is illegal. **Tipping** is intentionally or unintentionally telling another person insider information.

#### 5. Who does the ITTP Program apply to?

The new ITTP Program and [corporate policy](#) to all OLG employees and Board Members. Additional requirements apply to employees classified as a Restricted Person. Employees classified as a Restricted Person will be contacted directly and provided with additional information.

#### 6. Why is OLG implementing the new ITTP Program?

Ethical behavior is everyone's responsibility and builds a culture of integrity. OLG is also committed to conducting and managing lottery schemes (lottery and gaming businesses) in accordance with regulatory obligations. Our new program has two drivers:

- Under modernization, **OLG's business model is changing**, increasing commercialization and creating new business relationships with publicly traded companies. In turn, we need to help OLG employees who are at a higher risk to create or receive MNPI handle it with care.
- As an agency of the provincial government, **OLG is subject to the *Public Service of Ontario Act, 2006* and associated Regulations** (collectively "the PSOA"), including Conflict of Interest Rules which are reinforced through OLG's Code of Business Conduct. Certain obligations under the PSOA overlap with those of the *Ontario Securities Act* (the "OSA"). As public servants, OLG employees must avoid real or perceived conflicts of interest, and the ITTP Program promotes compliance with these regulatory requirements.

#### 7. How does the ITTP Program contribute towards OLG's strategic priorities?

As a provincial agency, OLG and its employees must operate in the best interests of the Province of Ontario. The ITTP Program promotes ethical behaviour by employees to prevent real or perceived conflicts of interest associated with insider trading or tipping that may harm OLG's reputation and diminish public trust. Responsible growth and public confidence enable the optimization of Lottery & Digital and oversee the management of Land-Based Gaming and Charitable Gaming operations.

#### 8. Does the ITTP Program and trading restrictions extend to my family?

No. The program and trading restrictions do not extend to family members of OLG employees and Board Members.

## 9. What is expected of OLG employees under the ITTP Program?

Everyone plays a role to ensure OLG delivers on its commitment to ethical conduct and compliance with the PSOA.

### **Responsibilities of OLG Divisions:**

- Oversee implementation of appropriate functional policies, procedures and controls designed to comply with this policy
- Safeguard MNPI to reduce the chance of misuse by employees – i.e. limited distribution of MNPI; secure storage of physical and electronic documents that contain MNPI
- Utilize recommendations from Corporate Compliance and SMEs

### **Responsibilities of OLG employees:**

- Avoid real or perceived conflicts of interest, including the use of MNPI for personal advantage or disclosure to any person other than in the necessary course of business
- Protect MNPI they may have access to
- Comply with the Code of Conduct and the ITTP policy; complete required training/attestations
- Inform their manager, Human Resources, or confidentially through Integrity Matters, of suspected insider trading or tipping activity.
- Employees who have breached the ITTP policy must inform their manager or Corporate Compliance at [personaltrading@olg.ca](mailto:personaltrading@olg.ca)

### **If designated as a Restricted Person:**

- Prohibited from purchase or sale of Restricted Entities unless the trade is classified as an Exempt Trade; also applies to trades made by another person in the employee's Trading Account if the employee could also direct trading in that account or could direct the operation of that Trading Account
- Pre-trade approval must be received from Corporate Compliance to sell previously held securities that are subject to restrictions per the Restricted Entities List
- Consult the Restricted Entities List prior to purchasing or selling securities to ensure the trade is permitted – contact Corporate Compliance at [personaltrading@olg.ca](mailto:personaltrading@olg.ca) for any clarification

Read the [ITTP policy](#) to learn more about roles and responsibilities (pages xx).

## 10. Who is a Restricted Person?

All employees in a Director role (or above) are classified as a Restricted Person. Corporate Compliance will be working with each OLG Division throughout program implementation to identify other employees that should be classified as a Restricted Person. Employees will be informed as the determination is made.

## 11. Which companies are a Restricted Entity?

Corporate Compliance undertakes a comprehensive analysis of OLG's business relationships with publicly traded companies to identify Restricted Entities.

Publicly traded companies classified as a Restricted Entity can change over time. OLG employees are expected to consult the Restricted Entities List (REL) posted on the [ITTP sub-page](#) on InsideOLG to stay informed.

## 12. What trades are exempt?

Trading restrictions do not apply to certain transactions including Private Investments and Exempt Trades (e.g. in mutual funds).

Read the [ITTP Policy](#) for a listing of Exempt Trades (Appendix C).

## 13. When will the ITTP Program be implemented?

The ITTP Policy is effective immediately. Corporate Compliance will work closely with OLG divisions throughout Fiscal 2020-2021 and 2021-2022 to implement the Program.

## 14. Where can I go with specific questions?

Contact Corporate Compliance at [personaltrading@olg.ca](mailto:personaltrading@olg.ca) if you have concerns or questions about activities that might be perceived as insider trading and tipping.

For additional information refer to the [employee tip sheet](#) as a quick reference guide.