

Insider Trading and Treatment of Insider Information in **lm group**

What is Insider Trading?

The buying or selling of a Security* by someone who has access to material information about the security

Insider trading can be **illegal or legal** depending on when the Insider* makes the trade:

it is illegal when, at the moment of the trading, there is non-public material information* available to such persons;

it is legal once the material information* has been made public, at which time the insider has no direct advantage over other investors.

- For the definitions of Insider, Security and Material Information, see following slides

What is a Security

Securities means:

Shares and debt instruments (bonds, notes, debentures, etc.) in:

- the Company;
- any affiliate of the Company;
- any other company about which Material Inside Information is available at the Group due to commercial relationships with that company (preparation of a supply contract) or a M&A transaction or a research cooperation or otherwise, respectively, in each case admitted to trading either in Switzerland or outside Switzerland

Any financial instrument (including any contractual or corporate entitlement, such as shares, non-voting stock, baskets of stocks, options, contracts for a difference, equity swaps, etc.), whether admitted to trading or not, whose value is substantially dependent or partly depends on any characteristics of the Securities listed in "Shares and debt instruments" above (such as price, volatility, etc.), irrespective of whether designed with a view to such dependence or not.

Who is an Insider?

He is a person who, at any time, in connection with his or her employment or other engagement participation by or with regard to the Group has access to Inside Information.

These persons include:

Continuing insiders: for example are, Members of the Board of Directors, Senior managers, any other person who determines or co-determines the day- to-day policy and general affairs of the Company, Heads of Legal, Investors, Relations/Corporate Communications, Business Development.

Temporary insiders: is any person, regardless of his or her position within the Group, who is not a continuing insider but is in possession of or has access to Material Inside Information, irrespective of how long such possession or access lasts (e.g. project leaders or other persons involved).

What is a Material Inside information?

It is confidential information which, if made public, may have a significant effect on the market price of securities admitted to trading.

Material information includes, without limitation:

- **significant changes in structure** (e.g. mergers; acquisitions; corporate reorganizations);
- **changes in capital** (e.g. increases or reductions in capital; far-reaching changes in share or capital structure);
- Substantial changes in the shareholder structure
- **relevant changes in the earnings situation** (e.g. unforeseen sharp falls in earnings; surprising large-scale losses or unforeseen and remarkable earnings growth; profit warning; suspension of or drastic reduction or increase in dividend payments; impending suspensions of payments);
- **relevant changes in course of business** (e.g. cessation of a main sphere of business implying a change in the general economic orientation of the company;
- entry into a major strategic alliance; major liability case or environmental damage; radical change in the market position as a result of extraordinary events);
- major **positive research** results or research failures;
- conclusion of substantial **supply or distribution agreements**;
- the issuance of a surprisingly negative analyst report by an influential analyst;
- **unforeseen changes in the issuer's board of directors**, management and group management, i.e. in case of unforeseen changes in the Company's Board of Directors or management and Group auditors, respectively.

It is not relevant where the Material Insider Information has been obtained from, i.e. whether it stems from inside the company or from a third party (such as a journalist, a securities analyst)

Illegal Insider Trading

It is prohibited :

- to exploit Material Insider Information, to acquire or dispose of Securities or to employ financial instruments with such securities as underlying,
- to communicate Material Insider Information to others
- to exploit Material Insider Information to provide advice to others with respect to acquiring or disposing of securities (admitted to trading in Switzerland) or to employ financial instruments with such securities as underlying.

What are the penalties?

- **Civil penalties:** confiscation of profit gained through unlawful activities.
- **Criminal penalties:** imprisonment of up to 5 years or a fine of up to CHF 1,080,000.
- **Disciplinary penalties:** justified dismissal.

Recommendations

It is strongly advised to act according to the following rules:

If you are **in doubt about the nature** of information, treat the information as Material Inside Information.

If you are in doubt whether you may Trade in Securities or not, **abstain from Trading.**

Material Inside Information shall **only be used to advance legitimate business objectives of the Group.** Material Inside Information shall not be used for personal gain or for the benefit of anyone other than the Group. Accordingly, members of the Board of Directors and employees may not trade in Securities while in possession of Material Inside Information.

If you become aware of Material Inside Information **you shall not disclose such Material Inside Information to third parties,** including family members, friends or associates or use the Material Inside Information to help others in Trading Securities.

Sharing Material Inside Information

Insider may only disclose *Material Inside Information* (whether to recipients in or outside the Group) if and to the extent such disclosure is necessary for the **fulfilment** of their assignments in the course of their normal duties, profession or position (e.g. auxiliaries, personal consultants or experts).

The insider when passing Material Inside Information must proceed as follows:

1. Identify whether the recipient is already in a contractual relationship with the Group and needs the information to fulfil its contractual duties thereunder or whether the recipient **needs the information to fulfil its legal duties**, such as a government official.
2. If there is a need to know the **Material Inside Information to fulfil legal or contractual duties**, the Material Inside Information may be passed on. The information passed on must be limited to what is strictly necessary. The extent of information provided is to be documented in a file note.
3. If there is no such need to know, but the Material Inside Information shall be passed on to enter into an agreement the Member of the Board of Directors, employee or service provider of the Group **must only pass on the information in writing or by email**, whereby the email, letter, or facsimile must contain the following text:

"Attached hereto, we are passing on to you the following information which contains insider information in accordance with Swiss law and we notify you that you must not exploit such information:

[list of the information passed on]

We do not assume any liability with regard to the accurateness of this communication."

4. Before passing Material Inside Information:
- inform the Corporate Secretary (email to: corporate.secretary@lastminute.com) about the person to which the disclosure is to be made.
 - if the recipient is in the Group ask him/her to sign a copy of the Confidentiality and Non-Disclosure Declaration. For outside service providers ask them to sign a separate non-disclosure agreement.
 - ask to the Corporate Secretary to add the recipient of the information to the Insider list.
 - make sure that the recipient of the information entered into a confidentiality agreement.
 - make sure that you have the authority to pass on the information.
 - provide a copy of the email, the letter, or facsimile used to pass Material Inside Information to the Corporate Secretary.

Insider Trading and blackout period in **lm group**

What is a blackout period

The buying or selling of a Security by someone who could have access to material information about the security **is always illegal during certain periods of time.**

This periods are called Blackout Period

Which are the blackout periods

There are two types of Blackout Periods, in which no trading should take place:

- **"Fixed Blackout Periods"** are the time frame starting the earlier of (i) 12th of February or, respectively, 3rd of August and (ii) 30 days before the meeting of the Board of Directors for the approval of the annual results or, respectively, half-yearly results, and in either case ending on the close of the first trading day after the public release
- **"Variable Blackout Periods"** are Blackout Periods which have been expressly designated by the Corporate Secretary and, absent such designation, when Material Inside Information is available within the Group. A person that does not receive such mail or e-mail, but has Material Inside Information is not relieved of complying with the Variable Blackout Periods. A person that is notified to comply with the Variable Blackout Periods has to comply with them irrespective of the person concerned being of the view that he or she has Material Inside Information or not.

Note: A Continuing Insider or Temporary Insider may Trade Securities outside of the Fixed black-out Periods and the Variable Blackout Periods, but only if he or she has no or could not be perceived to have knowledge of any Material Inside Information relating to the Securities.

A member of the Board of Directors shall, before Trading in Securities, consult the Chairman of the Board of Directors or the Corporate Secretary to make sure that he or she cannot be perceived to have traded based on the knowledge of any Material Inside Information