



## Guidance on Share Dealing

### Purpose of this guidance

This guidance has been prepared to assist all employees of Network Rail in complying with the law in relation to share dealing.

#### 1. What is share dealing?

Share dealing is when you buy or sell shares on the stock market. There are a number of legal and regulatory restrictions that apply to individuals when buying or selling shares.

When a person is in possession of price-sensitive information (please see section three for definition), that person must not:

- buy shares
- sell shares
- encourage or recommend others to buy shares; or
- encourage or recommend others to sell shares.

If a person in possession of price-sensitive information does any of the above, this is known as insider dealing, which is illegal.

#### 2. What is insider dealing?

Insider dealing is defined:

- in the Criminal Justice Act 1993 as dealing in shares and other securities on the basis of inside information (please see section three for definition).  
Insider dealing can also include encouraging somebody else to deal in shares or other securities, or disclosing information other than in the proper performance of their employment.
- in Article 8 of the Market Abuse Regulation, where a person possesses inside information, and uses that information by acquiring or disposing of, directly or indirectly, shares or other securities to which that information relates (or encourages another person to engage in insider dealing).

Insider dealing is a criminal offence in the UK and an individual can be fined or imprisoned. Insider dealing is also a civil offence which could make individuals liable for unlimited fines.

### 3. Inside information and “price-sensitive information”

The EU Market Abuse Regulation (MAR) specifically defines “inside information”:

- as information of a precise nature (e.g. specific);
- which has not been made public;
- relating directly or indirectly to one or more listed company or one or more financial instrument (shares or securities); and
- which if it were made public, would be likely to have a significant effect on the prices of those shares or securities.

Information is likely to have a “significant effect” on share price, if it is information that a reasonable investor would be likely to use as part of their investment decision (e.g. whether to buy or sell shares).

Examples of price-sensitive information about a company or any subsidiary of that company might include:

- major developments in its business activities e.g. winning or losing a major contract/franchise;
- the financial affairs of that company (including its possible insolvency);
- possible acquisition and disposal relating to that company;
- possible take-over and merger involving that company; and
- other significant developments affecting that company's position or prospects.

### 4. How does share dealing apply to Network Rail?

Although Network Rail is not a listed company, Network Rail spends large sums of money buying goods and services from other companies. Some of these companies are either listed on the stock exchange or are part of a group which is listed.

Any decision by Network Rail to buy or stop buying goods or services from a listed company may affect their business significantly, which could affect their share price.

### 5. Determining if you have access to price-sensitive information

Anyone in Network Rail who:

- is part of the team making such purchasing decisions or recommending a decision to others; or
- is aware of the likely decision to be made by Network Rail,

may have price-sensitive information until that decision is known publicly.

### 6. When you can buy or sell shares in another company

You are permitted to buy or sell shares in any company, at any time, when you have information about that company which is:

- already known publicly; and/or
- not price-sensitive.

## 7. When you must not buy or sell shares in another company

You must not buy or sell (or encourage or recommend the buying or selling of) any shares of any company that does, or may wish to do business with Network Rail, when you are in possession of price-sensitive or unpublished information, as a result of having access to such information due to your employment at Network Rail.

You must not disclose inside information to anybody other than in the proper course of your employment or engagement with Network Rail.

## 8. Declaring a Conflict of Interest

In addition to the above guidance you may also be required to declare a conflict of interest. A conflict of interest can occur when you, or a close family member, have a financial interest (e.g. hold shares) in a company that does or wants to do business with Network Rail.

For more information on how to report and manage a conflict of interest please see the [Conflicts of Interest and Outside Activities policy](#).

## Definitions

In this guidance, the following definitions apply, unless the context otherwise requires:

<b>Dealing</b>	any type of transaction in a company's securities, including purchases, sales, the exercise of options and other securities as collateral for a loan or any interest in shares of any company;
<b>You</b>	any employee or contractor of Network Rail, who, because of their employment by Network Rail, is – or is likely to be – in possession of unpublished price-sensitive information in relation to any company;
<b>Securities</b>	any shares (listed or unlisted) or other types of securities (linked derivatives or financial instruments);
<b>A listed company</b>	any company listed on a stock exchange or a subsidiary of a company listed on a stock exchange; and
<b>Inside information</b>	information about a company or its securities which is not publicly available, which is likely to have a non-trivial effect on price of such securities, and which an investor would be likely to use as part of the basis of their investment decision.