



# Securities Trading Policy

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## 1. Introduction

In this policy “**Group**” means Growthpoint Properties Australia Limited, Growthpoint Properties Australia Trust and their related bodies corporate (as that term is defined in the Corporations Act 2001 (Cth)) except for Growthpoint Properties Limited which has its own securities trading policy.

This policy have been issued by the board of directors of Growthpoint Properties Australia Limited for itself and in its capacity as responsible entity of the Growthpoint Properties Australia Trust (**Board**) to ensure that officers, employees and certain agents and contractors do not breach the *Corporations Act 2001* (Cth) (**Corporations Act**) “*insider trading*” provisions when trading in securities of listed entities in the Group (each, a **security** and collectively, the **Group’s securities**).

The purpose of this policy is to:

- i) explain the type of conduct in relation to dealings in listed securities that is prohibited under the Corporations Act, which apply to all officers, employees and, in certain circumstances contractors and agents, of the Group; and
- ii) establish a best practice procedure relating to buying and selling listed securities that provides protection to the Group and its officers, employees, contractors and agents against the misuse of unpublished information which could materially affect the value of securities.

The Group aims to achieve the highest possible standards of corporate conduct and governance. Accordingly, the Board considers that compliance with this policy is essential to ensure that the highest standards of conduct are being met by all officers, employees, contractors and agents. The Group also wishes to ensure that any perception that directors and employees are dealing in securities when they should not be, is avoided.

Any non-compliance with this policy will be regarded as serious misconduct which may entitle entities within the Group to take corrective disciplinary action, including termination.

For the purposes of this policy, **Listing Rules** means the listing rules of the Australian Securities Exchange (**ASX**) and a reference to “**buy**”, “**buying**”, “**sell**” or “**selling**” includes agreeing to do so.

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## 2. Guidelines for dealing in securities

### a) Persons to whom this policy applies

This policy apply to:

- i) all officers of the Group;
- ii) all employees of the Group;
- iii) all contractors and agents of the Group to the extent they are in possession of price sensitive information relating to the Group which is not publicly available and such information is only available or known to that person by virtue of their engagement with or by the Group; and
- iv) in certain circumstances, their associates (as defined in the Corporations Act).

In this policy, the persons listed above will be collectively referred to as **Relevant Persons**.

## b) Dealing

### i) Closed Periods

In addition to compliance with clause 2)b)ii) of this policy, and subject to clause 2)b)vii) of this policy, all directors and employees of the Group must not deal in any Group securities during a “Closed Period”. A **Closed Period** is:

- 1) the period from 1 July until 12 noon (AEST) on the next business day after the day on which the Group’s full-year results are released;
- 2) the period from 1 January until 12 noon (AEST) on the next business day after the day on which the Group’s half-year results are released.

### ii) Authorisation required

Subject to obtaining clearance under this clause b)ii), outside of a Closed Period, Relevant Persons will be permitted to buy and sell the Group’s securities listed on the ASX except where the Relevant Person is in possession of unpublished price sensitive information or where the Company has notified Relevant Persons that they may not buy and sell securities.

All Relevant Persons must receive clearance for any proposed dealing in any of the Group’s securities listed on the ASX as follows:

- 1) a **director** of the Group must inform and receive approval from the Chairman **before** undertaking a transaction;
- 2) the **Chairman** must inform and obtain approval from the Board or the next most senior independent director **before** undertaking a transaction;
- 3) **employees** of the Group must inform and receive approval from the Managing Director or Company Secretary **before** undertaking a transaction; and

all other **Relevant Persons** must inform and receive approval from the Company Secretary or, in his absence, the Managing Director **before** undertaking a transaction.

It is intended that a request for clearance will be answered within 1 business day. Clearances will be issued in written form and may be provided electronically by email and will specify the duration for dealing applicable to the clearance granted.

### iii) Notification to Company Secretary

A Relevant Person must notify the Company Secretary:

- 1) before, or immediately after, any buying or selling by them or, with the knowledge of the Relevant Person, by their associates (including their immediate family or any entity for which they control investment decisions), of Group securities at any time; and
- 2) if the proposed trading referred to above does not occur.

The notification must state that the proposed purchase or disposal of Group securities is not as a result of access to, or the receipt of, price sensitive information.

A form for this purpose is available from the Company Secretary. The Company Secretary maintains a register of such notifications.

### iv) Short term dealing – buying and selling within 3 month period

Relevant Persons may not deal in any of the Group’s securities on a short term or speculative trading basis, except in circumstances of special hardship and with clearance under clause b)ii). That is, Relevant Persons may not buy and sell securities within a 3 month period. In addition, Relevant Persons may not enter into any other short term dealings (for example, forward contracts) except with clearance under clause b)ii).

**v) Exceptional circumstances**

Relevant Persons may be given prior clearance to deal in any of the Group's securities in cases of severe financial hardship or other exceptional circumstances. A person may be in severe financial hardship if he or she has a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant group securities. By way of example, this could occur if there is some overriding legal or regulatory requirement affecting the Relevant Person such as a court order, enforceable undertaking or bona fide family settlement.

The Relevant Person seeking clearance to trade under this clause b)v) must satisfy the designated officer under clause b)ii) that their circumstances are exceptional and that the proposed sale or disposal of the relevant securities is the only reasonable course of action available.

**vi) Employee, Executive and Director Security Plans**

While Relevant Persons remain employed by the Group, any dealings in the Group's securities (eg., following cessation of restrictions over the securities) acquired under security plans operated by the Group must only occur in accordance with this policy. The participants in these plans:

- 1) must ensure they comply with the insider trading prohibitions, summarised in section 3), at the time they elect to participate in any of the Group's security plans; and
- 2) must not enter into a transaction if the transaction effectively operates to hedge or limit the economic risk of securities allocated under the Group's employee incentive plans during the period those securities remain unvested or subject to restrictions under the terms of the plan.

**vii) Rights offers**

If the Group makes a rights offer for Group securities:

- 1) Relevant Persons can accept the rights offer during a Closed Period; and,
- 2) if the rights offer is renounceable, Relevant Persons can deal in those rights during the period that trading in those rights is permitted (**Rights Trading Period**), even if all or part of the Rights Trading Period occurs during a Closed Period,

but only if all of the following conditions are satisfied:

- 3) the Relevant Person must ensure that they comply with the insider trading prohibitions, which are summarised in section 3, at the time that they accept the rights offer or deal in the rights;
- 4) the acceptance of the rights offer and the dealing in the rights must not be during a period in respect of which the Company has notified Relevant Persons that they may not deal in the Group's securities;
- 5) the Relevant Person must receive clearance for the acceptance of the rights offer and for any proposed dealing in the rights in accordance with clause 2)b)ii); and
- 6) the Relevant Person must notify the Company Secretary in respect of the acceptance or any dealing in accordance with clause 2)b)iii).

**viii) Using securities in the Group as collateral for margin lending**

- 1) Subject to (2) below, directors, officers and other "Key Management Personnel" (as defined in Australian Accounting Standard 124) of the Group are prohibited from using his or her holding in any of the Group's securities as collateral for any margin lending.
- 2) A Key Management Person with security over his or her holding in any of the Group's securities in connection with margin lending which is in existence prior to 1 March 2016 will not be in breach of (1) above provided that:
  - i. the Key Management Person notifies the Chairman of the Board, in writing, within five business days of becoming aware that his or her margin loan facility or agreement:
    - a. is currently, or is reasonably expected to be, subject to a margin call or similar;

- b. is in material breach (being a breach which gives a lender or other mortgage, charge or security holder the right to sell or otherwise dispose of securities in the Group); or
- c. reaches 90% or above of any applicable loan-to-value ratio or other asset cover; and
- ii. following the occurrence of any event listed in (i) above, the Key Management Person:
  - a. notifies the Chairman of the applicable lending covenants or similar; and
  - b. signs an undertaking in favour of the Group to:
    - i. reduce the loan below 90% of the loan-to-value ratio or other asset cover within one month of this occurring; and
    - ii. remedy (if applicable) any actual or threatened breach of any loan covenants the earlier of:
      - 1. the date required by any loan or other secured facility or agreement; and
      - 2. one month after the Key Management Person being notified of the actual or potential breach.

### 3. Dealing in securities

#### a) Summary of prohibited conduct

The Corporations Act prohibits *'insider trading'*.

Under the Corporations Act, a person is prohibited from dealing in **securities** where:

- i) the person possesses information which is not generally available;
- ii) that information may have a material effect on the price of securities of the relevant entity; and
- iii) the person knows or ought reasonably to know that the information is not generally available and, if it were, it might have a material effect on the price of securities.

In addition, a person with inside information must not procure another person to deal in the Group's securities or communicate the information (directly or indirectly) to another person who the person believes may deal (or procure someone else to deal) in the Group's securities.

The key concepts are discussed in more detail in section 3)b).

#### b) Relevant terms

##### i) Securities

The definition of *'securities'* in the Corporations Act is very broad.

Securities include:

- ordinary shares;
- preference shares;
- interests in managed investment schemes (i.e. units in trusts);
- options;
- debentures; and
- convertible notes.

It also extends to things relating to securities issued by the Group (eg., warrants and other derivative products).

## ii) Dealing in securities

Dealing in securities is a broad concept and covers more than simply buying or selling securities. It extends to exercising options over securities and entering agreements to buy or sell securities.

That is, under this policy and the law, the prohibition on dealing means that Relevant Persons are not permitted to:

- buy or sell; or
- enter into an agreement to subscribe for, buy or sell securities,

where they possess information that is not generally available and which a reasonable person would expect to have a material effect on the price or value of those securities.

If a Relevant Person possesses price sensitive information that is not generally available, the Relevant Person is also prohibited from:

- procuring any other person to deal in those securities; or
- directly or indirectly communicating the information to another person who the Relevant Person believes is likely to deal in, or procure another person to deal in, those securities.

'**Procuring**' means enticing, encouraging, persuading, causing or securing another person to do or not to do something. Procuring also includes inciting, inducing or encouraging an act or omission.

For example, a Relevant Person cannot ask or encourage anyone, including family members, friends, associates or others, to deal in securities when the Relevant Person possesses price sensitive information, and Relevant Persons should not communicate price sensitive information.

If a Relevant Person accidentally gives somebody 'inside information' when he or she should not have, the Relevant Person must immediately tell that person that it is 'inside information' and warn them against trading in the Group's securities, getting others to trade in the Group's securities, or communicating the information to others.

Officers and employees will often be privy to price sensitive information that is not generally available. Accordingly, officers and employees should ensure that they do not deal in the Group's securities when they or the Group possess 'inside information' (even during a period outside a Closed Period). Due to the small number of Group employees and the resultant possibility that all employees, not just management, may be in possession of inside information, this restriction applies to all Group employees.

## iii) Price sensitive or 'Inside' Information

Information is '*inside*' or '*price sensitive*' if it is not generally available, but which, if it were generally available, a reasonable person would expect to have a material effect (upwards or downwards) on the price or value of a security.

## iv) Information that is generally available

Information is '*generally available*' if it:

- 1) consists of readily observable matter;
- 2) 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 any of the classes of securities issued by the Group and since it was made known, a reasonable period for it to be disseminated among those persons has elapsed. That is, information will be 'generally available' if it has been released to the ASX or published in an annual report, or prospectus or similar document and a reasonable period of time has elapsed after the information has been disseminated in one of these ways; or
- 3) consists of deductions, conclusions or inferences made or drawn from information referred to in section 3)b)iv)(1) or information made known as mentioned in section 3)b)iv)(2), or both.

#### v) Material effect on the price of securities

Under the Corporations Act, information is likely to have a material effect on the price or value of securities of an entity if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell those securities.

It is not possible to list all of the information that may be material. However, the following types of information would be likely to be considered to have a material effect on the price of the Group's securities:

- information regarding a material increase or decrease in the listed entity's financial performance from previous results or forecasts, such as changes to profit results and distributions;
- a proposed material business or asset acquisition or sale, merger or takeover;
- the damage or destruction of a material operation of the Group;
- proposed material legal proceedings to be initiated by or against entities within the Group;
- regulatory action or investigations undertaken by a government authority;
- likely or actual entry into or loss of a material contract;
- changes to the Board of directors or significant changes in senior management;
- the launch of a material new business; or
- a proposal to undertake a new issue of securities or major change in financing.

#### vi) Information

For the purposes of the insider trading provisions of the Corporations Act, 'information' is defined broadly and includes matters of supposition and other matters which are insufficiently definite to warrant being made known to the public. It also includes matters relating to the intentions, or likely intentions, of a person.

### c) Relationship to the continuous disclosure regime

Under the Corporations Act and the Listing Rules, subject to a number of exceptions (see below), the relevant listed Group entity must immediately release to the ASX any information concerning the entity which may reasonably be expected to have a material effect on the price or value of the entity's securities.

As a result of the operation of the continuous disclosure regime, usually all material price sensitive information will be disclosed to the ASX in accordance with the Group's obligations, and the information will then become generally available. However, there are limited circumstances in which disclosure is not required.

Specifically, the Listing Rules do not require disclosure where:

- 1) a reasonable person would not expect the information to be disclosed; **and**
- 2) the information is confidential and the ASX has not formed the view that the information has ceased to be confidential; **and**
- 3) one or more of the following applies:
  - it would be a breach of law to disclose the information;
  - the information concerns an incomplete proposal or negotiation;
  - the information comprises matters of supposition or is insufficiently definite to warrant disclosure (eg., the effect of an event on the Group has not yet been quantified);
  - the information is generated for internal management purposes of the entity (eg., internal management accounts or an internal management report); or

- the information is a trade secret.

Even if information does not need to be disclosed under the Listing Rules, it may be *'inside information'* to which the prohibition on insider trading applies. If a person deals in the Group's securities at a time when that person is aware of information which, but for a carve-out to the Listing Rules, would need to be disclosed to the market, that person will be in breach of the insider trading provisions.

## 4. Dealing in securities not subject to the provisions of this policy

### a) Permitted dealings

Subject to (b) below, the following dealings are not subject to the provisions of this policy:

- 1) undertakings to accept, or the acceptance of, a takeover offer;
- 2) undertakings or elections to take up entitlements under a rights issue or other offer (including an offer of the Group's securities in lieu of a cash dividend);
- 3) the take up of entitlements under a rights issue or other offer (including an offer of the Group's securities in lieu of a cash dividend);
- 4) allowing entitlements to lapse under a rights issue or other offer (including an offer of the Group's securities in lieu of a cash dividend, a security purchase plan or an equal access buy-back);
- 5) a dealing where the beneficial interest in the relevant security of the Group does not change;
- 6) bona fide gifts by a third party to a Relevant Person;
- 7) the cancellation or surrender of an option under an employees' share scheme;
- 8) transfers of the Group's securities by an independent trustee of an employees' share scheme to a beneficiary who is not a Relevant Person;
- 9) transfers of the Group's securities already held into a superannuation fund or other saving scheme in which the Relevant Person is a beneficiary;
- 10) where a Relevant Person is a trustee, trading in the Group's securities by that trust provided the Relevant Person is not a beneficiary of the trust and any decision to trade is taken by the other trustees or by the investment managers independently of the Relevant Person; and
- 11) acquisition of Group securities under an employee, executive or director incentive scheme. However, where securities in the Group cease to be held under the terms of the employee, executive or director incentive scheme, any dealings in those securities must only occur in accordance with this Policy.

### b) Persons should satisfy themselves about the law before dealing

Notwithstanding a carve-out in section (a) above, any of the listed matters may be prohibited by law including the insider trading provisions of the Corporations Act (refer to sections 3 and 5 of this policy for more details about insider trading). Any person considering dealing in any securities, including those of the Group, should ensure that they are in compliance with all applicable laws and regulations before doing so.

## 5. Securities in other companies

The insider trading provisions of the Corporations Act may act to prohibit dealings in the Group's securities and also in those of other listed companies with whom the Group may be dealing (including

the Group's customers, contractors or business partners) where an employee possesses 'inside information' in relation to that other entity.

That is, if a Relevant Person is aware of information that is not generally available but which, if it were generally available, a reasonable person would expect to have a material effect on the price or value of a security, the Relevant Person should not deal in the securities of the companies that it affects.

Relevant Persons may come into possession of 'inside information' where they are directly involved in client relationship management or negotiating contracts. For example, where the Relevant Person is aware that the Group is about to sign a major agreement with another entity, the Relevant Person should not buy securities in either the Group or the other entity.

## 6. Register of dealings

The Company Secretary will maintain a copy of:

- i) all requests for approval to deal in any of the Group's securities submitted by any Relevant Persons;
- ii) all decisions relating to requests; and
- iii) details of all dealings in any of the Group's securities made by any Relevant Persons.

## 7. Notification by directors

Directors of the Group must immediately notify the Company Secretary if there is a change in their security interests to enable the relevant Group listed entity to comply with timeframes applying under the Listing Rules in notifying changes in directors' security interests.

## 8. Penalties

A person who commits a breach of the insider trading provisions could be subject to criminal liability (substantial fines or imprisonment or both may be imposed) or civil liability (substantial pecuniary penalties can be imposed) under Australian law. In addition, a person who contravenes or is involved in a contravention of these provisions may be liable to compensate any person who suffers loss or damage because of the conduct.

In the case of a body corporate, committing an offence under the insider trading provisions is also punishable by substantial fines under civil and criminal laws.

In addition, disciplinary action may be taken against Relevant Persons for a breach of this policy.

## 9. Defences

The Corporations Act sets out several defences to conduct which would otherwise breach the insider trading prohibition.

These defences are complex and, in general, will not apply to Relevant Persons. On this basis, Relevant Persons should not deal in the Group's securities until they have received the required approval from the relevant individual specified in clause ii).

Breaches of the insider trading laws have serious consequences for both the Relevant Person concerned and the Group. It may also give rise to adverse public scrutiny and media comment. It is therefore important that Relevant Persons adhere to this policy at all times.



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## 10. Who to contact

Any queries about this policy should be directed to the Company Secretary in the first instance.