

Metroland Australia Limited

Trading Policy



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1. Introduction

The purpose of this policy is to:

- (a) explain the type of conduct in relation to dealings in securities that is prohibited under the Corporations Act, which is applicable to all employees of and contractors to Metroland Limited (Metroland) and its subsidiaries and to all employees of any joint venture companies, operations or arrangements to which Metroland or a subsidiary is party; and
- (b) establish a best practice procedure relating to buying and selling securities that provides protection to both Metroland and employees against the misuse of unpublished information which could materially affect the value of securities.

Metroland aims to achieve the highest possible standards of corporate conduct and governance. Accordingly, the Board of directors considers that compliance with this policy is essential to ensure that the highest standards of conduct are being met by all employees of Metroland. Metroland also wishes to ensure that any perception of executives or employees dealing in shares when they should not do so is avoided.

Any non-compliance with this policy will be regarded as serious misconduct.

2. Policy for dealing in securities

2.1 Excluded Trading

Trading that is not covered by the restrictions in this Policy, includes:

- (a) transfers of Securities already held into a superannuation fund or other saving scheme in which the Employee person is a beneficiary;
- (b) an investment in, or trading units of, a fund or other scheme (other than a scheme only investing in Metroland Securities) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (c) where an Employee is a trustee, trading in Securities by that trust provided the Employee is not a beneficiary of the trust and any decision to trade during a prohibited trading period is taken by the other trustees or by the investment managers independently of the Employee;
- (d) undertakings to accept, or the acceptance of, a takeover offer;
- (e) trading under an offer or invitation made to all or most of the security holders, such as, a rights issue, a security purchase plan, a dividend or distribution investment plan (DRP) and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board. In the case of a DRP, the Employee must only elect to participate in the DRP when they are not in possession of non-public

price sensitive information and may not change that election until they are again not in possession of non-public price sensitive information;

- (f) a disposal of securities of the entity that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement;
- (g) the exercise (but not the sale of securities following exercise) of an option or a right under an employee incentive scheme, or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a Closed Period and where the Employee could not reasonably have been able to exercise at a time when free to do so; and
- (h) trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this Policy and where the Employee did not enter into the plan or amend the plan during a prohibited trading period and the trading plan does not permit the Employee to exercise any influence or discretion over how, when, or whether to trade.

2.2 Persons to whom this policy applies

This policy applies to:

- (a) all directors of Metroland;
- (b) all employees of Metroland and its subsidiaries;
- (c) all employees of any joint venture companies, operations or arrangements to which Metroland or a subsidiary is party, and their associates

(collectively Employees).

2.3 The Policy

(a) Window Period

All Employees, other than directors of Metroland, may buy or sell Metroland's shares on the ASX in the period of 1 month commencing 1 day after:

- (i) the announcement of half-yearly results;
- (ii) the announcement of annual results; or
- (iii) the holding of the Annual General Meeting,

EXCEPT where the Employee is in possession of price sensitive information.

Metroland may during the "window" set out above, notify you that you may not buy or sell shares during all or part of any such period.

If you are not sure whether you should buy or sell Metroland shares during this time please consult with the relevant person listed in paragraph (b) below.

All directors of Metroland (including the Managing Director) are entitled to sell during the "window", but must inform the Chair prior to undertaking a transaction during the "window" set out above.

(b) **During Other periods**

Outside of the "window" period, all Employees in the categories listed below must receive clearance for any proposed dealing in Metroland's shares:

- (i) a director of Metroland (including the Managing Director) must inform and receive acknowledgment from the Chairman prior to undertaking a transaction outside the trading window;
- (ii) the Chairman must obtain approval from the Board prior to undertaking a transaction outside the trading window;
- (iii) executives and senior management must inform and receive acknowledgment from the Managing Director prior to undertaking a transaction outside the trading window; and
- (iv) direct reports of executives and senior management must inform and receive acknowledgment from the Company Secretary prior to undertaking a transaction outside the trading window;

Requests are to be made using the form attached as Annexure A.

It is intended that your request will be answered within 48 hours.

Approval will not be granted if Metroland is in possession of any material price-sensitive information which would prohibit the proposed dealing.

(c) **Black-out Period**

No approval will be given to a director, executive or senior manager of Metroland for the purchase or sale of Metroland securities in the period commencing 2 months before the date of announcement of:

- (i) half-yearly results; and
- (ii) annual results,

except in exceptional circumstances, including where the relevant director, executive or senior manager has pressing financial concerns. In such an event, approval may only be given for the director, senior manager or executive to sell, and not purchase, Metroland securities.

(d) **Short Term Dealing**

Employees may not buy and sell securities within a three month period without permission from the Managing Director. In addition, Employees may not enter into any other short term dealings (for example, forward contracts) without permission from the Managing Director.

3. Dealing in securities

3.1 Summary of Prohibited conduct

The Corporations Act prohibits "insider trading".

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

- (a) the person possesses information which is not generally available; and
- (b) that information may have a material effect on the share price of the relevant entity; and
- (c) 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 share price.

In addition, a person with inside information must not procure another person to deal in Metroland's securities nor communicate the information (directly or indirectly) to another person who the person believes may deal (or procure someone else to deal) in Metroland's securities.

The key concepts are discussed in more detail in paragraph 3.2 below.

3.2 Relevant Terms

(a) Securities

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

Securities include:

- ordinary shares;
- preference shares;
- options;
- debentures; and
- convertible notes.

It also extends to things relating to securities issued by Metroland (for example, warrants and other derivative products).

(b) Dealing in Securities

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

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

- (i) buy or sell;
- (ii) subscribe for new shares (eg in a float); or
- (iii) enter into an agreement to subscribe for, buy or sell, securities,

where you or Metroland 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 you possess price sensitive information that is not generally available, you are also prohibited from:

- (i) procuring any other person to deal in those securities; or
- (ii) from directly or indirectly communicating the information to another person who you believe is likely to deal in, or procure another to deal in, those securities.

Procuring means enticing, encouraging, persuading, causing or securing another person to do something. For the purposes of these provisions procuring includes inciting, inducing or encouraging an act or omission.

For example you cannot ask or encourage family members to deal in securities when you possess price sensitive information and you should not communicate price sensitive information.

(c) Information that is generally available

Information is "inside" if it is not generally available but which, if it were generally available, a reasonable person would expect it to have a material effect on the price or value of a security.

Information is considered to be "generally available" if:

- (i) it consists of readily observable matter; or
- (ii) it has been made known in a manner likely to bring it to the attention of investors in securities of corporations of that kind and a reasonable period for dissemination of that information has elapsed. That is it has been released to the ASX, published in an Annual Report or prospectus or otherwise been made generally available to the investing public and a reasonable period of time has elapsed after the information has been disseminated in one of these ways; or
- (iii) it may be deduced, inferred or concluded from the above.

(d) Material effect of the price of securities

Information is considered by the Corporations Act to be likely to have a material effect on the price or value of securities of a company 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 type of information would be likely to be considered to have a material effect on Metroland's share price:

- information regarding a material increase or decrease in Metroland's financial performance from previous results;
- a proposed material business or asset acquisition or sale;
- the damage or destruction of a material operation of the Group;
- proposed material legal proceedings to be initiated by or against Metroland;
- regulatory action or investigations undertaken by a Government authority;
- the launch of a new business or material new product;
- a proposal to undertake a new issue of shares or major change in financing.

(e) **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 of a person.

3.3 Relationship to the continuous disclosure regime

The Corporations Act and ASX Listing Rules require Metroland to immediately release to the ASX any information concerning Metroland which may reasonably be expected to have a material effect on the price or value of Metroland's securities, subject to limited exceptions.

As a result of the operation of the continuous disclosure regime, usually all material price sensitive information will be generally available. However, there are limited circumstances in which disclosure is not required. In these situations there may be people with "inside information" who would breach the insider trading prohibition if they dealt in securities at that time.

Specifically, the Listing Rules do not require disclosure where:

- (a) a reasonable person would not expect the information to be disclosed; and
- (b) the information is confidential and the ASX has not formed the view that the information has ceased to be confidential; and
- (c) one or more of the following applies:
 - (i) it would be a breach of law to disclose the information;
 - (ii) the information concerns an incomplete proposal or negotiation (eg. Metroland has not yet executed a Heads of Agreement);

- (iii) the information comprises matters of supposition or is insufficiently definite to warrant disclosure (eg. the effect of an event on Metroland has not yet been quantified);
- (iv) the information is generated for internal management purposes of the entity (eg. internal management accounts or an internal management report); or
- (v) the information is a trade secret.

Although information does not need to be disclosed under the Listing Rules, Employees may possess "inside information". If a person deals in Metroland'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. Securities in other companies

The prohibited conduct under the Corporations Act includes dealings in securities of Metroland as well as of other companies with which Metroland may be dealing (this would include dealings relating to Metroland's customers or joint venture partners) where an Employee possesses "inside information" in relation to that other company. For example, where you are aware that Metroland is about to sign a major agreement with another company, you should not buy shares in either Metroland or the other company.

5. Register of dealings

The Company Secretary will maintain a copy of:

- (a) all requests for approval to deal in Metroland securities submitted by directors, executives and senior managers;
- (b) all decisions relating to such requests and accompanying reasons for the decision; and
- (c) details of all dealings in Metroland securities made by directors, executives and senior managers.

6. Information to board

The details of each dealing in Metroland securities made by a director, executive or senior manager will be tabled at each subsequent Board meeting.

7. Penalties

A person who commits a breach of the insider trading provisions could be subject to criminal liability (a maximum fine of \$220,000 or imprisonment for up to 5 years, or

both) or civil liability (a pecuniary penalty of up to \$200,000 can be imposed). 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, the commission of an offence under the insider trading provisions is punishable by a fine of up to \$1,100,000.

8. 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 you. On this basis, you should not deal in Metroland securities until you have received the required approval from the relevant person in paragraph 2 above.

Breaches of the insider trading laws have serious consequences for both the employee concerned and Metroland. It may also give rise to adverse public scrutiny and media comment. It is therefore important that Employees adhere to these guidelines at all times.

9. Who to contact

If you are in any doubt regarding your proposed dealing in securities you should contact the Company Secretary.

Annexure A

Guidelines for dealing in securities – Request for Approval

Request for approval for dealing in the securities of Metroland Limited in accordance with clause 2.2 of the Guidelines for Dealing in Securities.

Director/Employee Details

Name: _____

Address: _____

Position: _____

Share Transaction Details

Purchase/Sale (circle as appropriate)

Number of shares: _____

Proposed Transaction Date: _____

Name of Seller/Purchaser: _____

(if not in Director/Employee name)

Inside/Outside window period (circle as appropriate)

Inside/Outside black-out period (circle as appropriate if applicable)

Exceptional circumstances

(if applicable)

I confirm that I am not in possession of any material price-sensitive information in relation to Metroland which is not generally available to the market.

Signature: _____

Approval (sign as appropriate)

Chairman: _____ Date: _____

Managing Director: _____ Date: _____

Company Secretary: _____ Date: _____

Manager: _____ Date: _____