

AUSTOCK PROPERTY

POLICY IN RELATION TO DEALING IN SECURITIES

1. INTRODUCTION

The purpose of this policy is to:

- (a) explain the type of conduct that is prohibited under the *Corporations Act 2001 (as amended)* in relation to dealing in the securities of a Connected Fund by the Company's employees and officers; and
- (b) establish a best practice procedure relating to dealings in Securities that provides protection to both the Company and employees against the misuse of unpublished information which could materially affect the value of securities

2. SUMMARY OF THE LAW

2.1 The *Corporations Act 2001 (as amended)* prohibits a person who is in possession of price sensitive information that is not generally available from:

- (a) dealing in securities;
- (b) procuring another person to deal in the securities; or
- (c) communicating the information to another person if that person is likely to deal in the securities.

2.2 Penalties for breach of this prohibition are severe and include:

- (a) in the case of a natural person, a penalty of up to \$200,000 or imprisonment for 5 years or both;
- (b) in the case of a body corporate, a penalty of up to \$1,000,000; and
- (c) for both a natural person and a body corporate, unlimited civil liability.

3. POLICY

Definitions

In this Policy the following definitions apply unless the context otherwise requires:

“Chairman” means the Chairman of the Company.

“Company” means Austock RE Pty Limited, Austock Property Funds Management Pty Limited, Austock Property Management Limited, Austock Funds Management Limited and any other company within the Austock Property group of companies.

“Company Secretary” means the person who is from time to time appointed by the Board as Company Secretary of the Company or such other person nominated by the Board to act in their absence for the purposes of this Policy.

“Connected Fund” means any managed investment scheme managed by the Company, whether or not listed on an authorised exchange and includes, but is not limited to, the Australian Education Trust, The Australian Social Infrastructure Fund, Austock Childcare Fund and CIB Fund.

“Dealing” includes any subscription, redemption, purchase or sale of securities, or any agreement to effect the same; an exercise of an option or other right; or entering into any other form of agreement to acquire or dispose of an interest in securities.

“Director” means a director of the Company.

“Managing Director” means the person who is from time to time appointed by the Board as Managing Director or equivalent or such other person nominated by the Board to act in their absence for the purposes of this Policy.

“Policy” means this document.

“Relevant Employee” means any employee of the Company or a director or employee of a related body corporate who is, or because of his office or employment with the Company or a related body corporate, is likely to be in possession of unpublished price sensitive information in relation to a Connected Fund.

“Responsible Officer” means a responsible officer of the Company.

“Securities” means any listed or unlisted shares, debentures, interests, rights, units or option contracts in a Connected Fund.

“unpublished price sensitive information” means information which:

- (a) relates to particular securities or to a particular issuer of securities and not to securities generally or issuers of securities generally;
- (b) is specific or precise;
- (c) has not been made public; and
- (d) if it were made public would be likely to have a significant effect on the price or value of any securities.

4. Dealings by Directors, Responsible Officers and Relevant Employees

A Director, Responsible Officer or Relevant Employee must not deal in Securities at any time when they are in possession of unpublished price sensitive information or otherwise where clearance to deal is not given under paragraph 6 of this Policy.

5. Margin lending

- 5.1 Directors, responsible officers, the managing director or equivalent and all senior executives reporting to the managing director or equivalent must receive prior consent from the Chairman before entering into margin loans or other financing arrangements which create a security interest over a significant holding of a Connected Fund's securities. A "significant holding" of a Connected Fund's securities is a holding of 1% or more of the issued capital of the Connected Fund. In the case of the Chairman, approval must be obtained from the Chair of the Audit and Compliance Committee.
- 5.2 If required by the Board, a director, responsible officer, managing director or equivalent or senior executive must provide the Company Secretary with information relevant to the margin loans or financing arrangements.
- 5.3 This Policy continues to apply to all directors, responsible officers, managing director or equivalent and senior executives, regardless of commitments which such individuals may enter into in relation to margin lending contracts or other financing arrangements.

6. Clearance to Deal

- 6.1 A Responsible Officer or Relevant Employee must not deal in Securities without obtaining the prior approval of the Managing Director.
- 6.2 A Director (including the Managing Director) must not deal in Securities without obtaining the prior approval of the Chairman.
- 6.3 The Chairman must not deal in Securities without obtaining the prior approval of the Managing Director.
- 6.4 Requests for clearance to deal should be made in writing in the prescribed form and forwarded to the Company Secretary. The Company Secretary will forward requests to the person responsible for giving clearance. It is intended that all requests will be answered via email within 48 hours.
- 6.5 Dealings in Securities must be completed within 1 week of approval being granted.

7. Circumstances for Refusal

- 7.1 Subject to paragraph 10, a Director, Responsible Officer or Relevant Employee must not be given clearance to deal in Securities during a prohibited period. A prohibited period means:
- (a) any closed period;
 - (b) any period when there exists any matter which constitutes unpublished price sensitive information in relation to Securities (whether or not the person has knowledge of such matter); or
 - (c) any period when the person responsible for clearance otherwise has reason to believe that the proposed dealing is in breach of this Policy.

8. Closed periods

For the purpose of this Policy, a closed period is the period commencing from the end of the relevant reporting period and concluding on the date which is 3 business days after the date that the full year results or half year results of the Connected Fund (as applicable) are announced.

9. Circumstances where clearance most appropriate

9.1 As a matter of practice, the following periods are the most appropriate times for a Director, Responsible Officer or Relevant Employee to deal in Securities:

- (a) the period of 4 weeks commencing 3 business days after the date that the full year results of the Connected Fund are announced;
- (b) if the Connected Fund reports on a half yearly basis, the period of 4 weeks commencing 3 business days after the date that the half year results of the Connected Fund are announced; and
- (c) if the Connected Fund holds an Annual General Meeting, the period of 2 weeks commencing 3 business days after the date that the Annual General Meeting of the Connected Fund is held.

10. Dealing in exceptional circumstances

- 10.1 In exceptional circumstances, clearance may be given for a Director, Responsible Officer or Relevant Employee to sell (but not to purchase) Securities where they would otherwise be prohibited from doing so only because the proposed sale would fall within a closed period. The determination of whether circumstances are exceptional for this purpose must be made by the person responsible for the clearance.
- 10.2 Clearance may not be given where the person responsible for giving the clearance is aware of any other reason why the Director, Responsible Officer or Relevant Employee would be prohibited from dealing by this Policy.
- 10.3 An example of the type of circumstances which may be considered exceptional for these purposes would be a pressing financial commitment on the part of the Director, Responsible Officer or Relevant Employee that cannot otherwise be satisfied.

11. Dealings of a short term nature

A Director, Responsible Officer or Relevant Employee must not deal in Securities on considerations of a short term nature.

12. Dealings by associated persons and investment managers

- 12.1 A Director, Responsible Officer and Relevant Employee must (so far as is consistent with their duties of confidentiality to the Company or a Connected Fund) seek to prohibit (by taking the steps set out in paragraph 12.2 of this Policy) any dealing in Securities during a closed period or at a time when the Director, Responsible Officer or Relevant Employee is in possession of

unpublished price sensitive information in relation to those securities and would be prohibited from dealing under paragraph 4 of this Policy:

- (a) by or on behalf of any person associated with him (within the meaning of the Corporations Act) which includes the Director's, Responsible Officer's or Relevant Employee's spouse, defacto, family members, associated trusts, companies or other third parties contemplating the acquisition or sale of securities on the Director's, Responsible Officer's or Relevant Employee's behalf; or
- (b) by an investment manager on their behalf or on behalf of any person associated with them where either they or any person connected with them has funds under management with that investment manager, whether or not discretionary (except in the case of investments in an authorised unit trust, investment trust or similar publicly marketed investment vehicle, where the manager of the investment vehicle is not an investment manager for the purposes of this Policy).

12.2 For the purposes of paragraph 12.1 of this Policy, a Director, Responsible Officer or Relevant Employee must advise all such associated persons and investment managers:

- (a) that they are a Director, Responsible Officer or Relevant Employee of the Company;
- (b) of the closed periods during which they cannot deal in Securities;
- (c) of any other period when the Director, Responsible Officer or Relevant Employee is aware that they are not free to deal in Securities under the provisions of this Policy, unless their duty of confidentiality to the Company or Connected Fund prohibits them from disclosing such periods; and
- (d) that they must advise them immediately after they have dealt in Securities.

12.3 Where a Director, Responsible Officer or Relevant Employee receives advice under paragraph 12.2(d) of this Policy, this information must immediately be communicated to the Company Secretary.

13. Guidance on other dealings

13.1 For the avoidance of doubt and subject to the specific exceptions set out in paragraph 14 of this Policy, the following constitute dealings for the purposes of this Policy and are consequently subject to the provisions of this policy:

- (a) arrangements which involve a sale of securities with the intention of repurchasing an equal number of such securities soon afterwards;
- (b) dealings between Directors, Responsible Officers and Relevant Employees;
- (c) off market dealings; and
- (d) transfers for no consideration.

14. Exempt dealings

14.1 The following dealings are not subject to the provisions of this Policy:

- (a) undertakings or elections to take up or the take up or the lapse of entitlements under a rights issue or other offer in which all shareholders are entitled to participate;
- (b) undertakings to accept, or the acceptance of, a takeover offer;
- (c) a dealing by a Director, Responsible Officer or Relevant Employee with an associated person whose interest in the securities is to be treated by virtue of the Corporations Act as their own interest;
- (d) subscription for shares under an employee share scheme; and
- (e) shares issued under a dividend reinvestment plan.

15. Record Keeping

15.1 A written record will be maintained by the Company Secretary of the receipt of any request to deal pursuant to paragraph 6 of this Policy and of any clearance given.

15.2 A list of persons to whom this policy applies will be maintained by the Company Secretary.

16. Who to Contact

Queries in relation to the application of this Policy should be directed to the Company Secretary. Ultimately, the onus is on the individual Director, Responsible Officer or Relevant Employee to determine whether it is appropriate to deal in Securities.

17. Adoption by Board

This Policy was first adopted by the Board of the Company at a meeting of Directors on 24 February 2005 and amended on 28 August 2009 and 17 December 2010.