

22 December 2020

## Revised Securities Trading Policy

APN Funds Management Limited as Responsible Entity for APN Industria REIT (ASX:ADI) has completed a review and update of its Securities Trading Policy. A copy of the revised policy is attached in accordance with ASX Listing Rule 12.10.

This announcement was authorised to be given to the ASX by Chantal Churchill, Company Secretary

**ENDS**

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### About APN Industria REIT

APN Industria REIT ('Industria') (ASX code: ADI) is a listed Australian real estate investment trust which owns interests in office and industrial properties that provide functional and affordable workspaces for business. Industria's \$952 million portfolio of 37 properties located across the major Australian cities provides sustainable income and capital growth prospects for security holders over the long term. Industria has a target gearing band of 30 – 40%, providing flexibility for future growth without compromising the low-risk approach to management. Industria is managed by APN Property Group, a specialist real estate investment manager established in 1996, and governed by a majority independent Board.

[www.apngroup.com.au](http://www.apngroup.com.au)

Industria Trust No. 1 ARSN 125 862 875  
Industria Trust No. 2 ARSN 125 862 491  
Industria Trust No. 3 ARSN 166 150 938  
Industria Trust No. 4 ARSN 166 163 186  
Industria Company No. 1 Limited ACN 010 794 957

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# Securities Trading Policy

December 2020



## **Contents**

<b>1</b>	<b>Purpose of this Policy</b>	<b>2</b>
<b>2</b>	<b>Scope of this Policy</b>	<b>2</b>
<b>3</b>	<b>What is insider trading?</b>	<b>2</b>
<b>4</b>	<b>What is inside information?</b>	<b>2</b>
<b>5</b>	<b>What must you do prior to trading in APN Securities or Securities in APN's Trading Universe?</b>	<b>3</b>
<b>6</b>	<b>When you can't trade</b>	<b>4</b>
<b>7</b>	<b>Exemptions which allow you to trade</b>	<b>5</b>
<b>8</b>	<b>Compulsory notifications of Directors</b>	<b>6</b>
<b>9</b>	<b>Questions</b>	<b>6</b>
<b>10</b>	<b>Changes to Policy</b>	<b>6</b>
<b>11</b>	<b>Definitions</b>	<b>6</b>
	<b>Annexure A - Situations which may deem a person to be in possession of inside information</b>	<b>9</b>
	<b>Annexure B - Trading activities allowed during closed periods</b>	<b>10</b>

# Securities Trading Policy

## 1 Purpose of this Policy

The purpose of this Policy is for APN Group (**APN**) to raise awareness and articulate the obligations its Directors and staff have under the Corporations Act when undertaking investment/trading activities. While APN encourages its staff to be long term holders of APN Securities, it is important that the conduct of such activities complies with the applicable legislation and that the interests of APN's investors are always safeguarded.

The Policy provides a guidance on the behaviour APN expects its Directors and staff to uphold when undertaking investing/ trading in APN Securities and Securities in APN's Trading Universe. This is to ensure that we remain effective in deterring and preventing the occurrence of insider trading with the APN Group.

**APN considers any breach of the law or this Policy as serious misconduct which may lead to disciplinary actions including dismissal.**

## 2 Scope of this Policy

This Policy applies to all APN Staff (including Directors) in relation to all APN Securities, and Securities listed in APN's Trading Universe, and whether trading:

- (a) on their own account; and/or
- (b) on behalf of another person including family members, friends, Associates or related entities; and/or
- (c) on behalf of an APN Entity or APN Fund;

While this Policy only applies to APN Staff, please note that the insider trading prohibitions of the Corporations Act can also apply to family members, friends, Associates and related entities of APN Staff.

## 3 What is insider trading?

Insider trading is prohibited under Division 3 of Part 7.10 of the Corporations Act. Pursuant to the Act, insider trading occurs when an individual, while in possession of **inside information** (refer to section 4),

- (a) deals in (i.e. apply for, acquire or dispose of) the relevant Securities or enter into an agreement to do so;
- (b) procures another person to apply for, acquire or dispose of the relevant Securities or enter into an agreement to do so; or
- (c) directly or indirectly communicates, or causes to be communicated, that information to any other person if the individual knows, or ought reasonably to know, that the person would or would be likely to use the information to engage in the activities specified in section 3(a) or 3(b) above.

Insider trading attracts both criminal and civil liabilities under the Corporations Act.

## 4 What is inside information?

Inside information means information that is:

- (a) **not generally available;** and
- (b) **if the information was generally available, a reasonable person would expect it to have a material effect on the price or value of the Securities.**

Information is regarded as being likely to have a 'material effect' if a reasonable person would be taken to expect that such information would, or would be likely to, influence persons who commonly invest in the Securities or other traded securities in deciding whether or not to deal in the Securities.

Such information can include matters of speculation or supposition and matters relating to intentions or likely intentions of a person.

A list of matters that may be considered inside information relating to APN is set out in **Annexure A**. This list is indicative only and is not exhaustive.

## 5 What must you do prior to trading in APN Securities or Securities in APN's Trading Universe?

- (a) At all times, if a Staff member (including a Director) proposes to:
  - deal in APN Securities or Securities in APN's Trading Universe on his or her own account, including entering into an agreement to deal; or
  - deal in APN Securities or Securities in APN's Trading Universe on behalf of an APN Entity or APN Fund, including entering into an agreement to deal,
 they must consider each of the following questions:
  - (i) are there any restrictions on trading (refer to section 6)?
  - (ii) if yes, can exemptions apply (refer to section 7)?
  - (iii) has a Securities Trading Form been completed and submitted to the Company Secretary for confirmation?
- (b) Confirmation must be sought prior to any dealing in APN Securities or Securities in APN's Trading Universe. Confirmation cannot be granted after the event.
- (c) The Securities Trading Form is available on APN's intranet and must be sent to the Company Secretary for confirmation electronically upon submission.
- (d) Once confirmation is provided by the Company Secretary, the Staff member can proceed to conduct the requested trades.

### Note:

- it is the responsibility of the Company Secretary on receiving the completed Securities Trading Form to provide a confirmation or to direct the Staff member not to undertake the proposed dealing. Staff must comply with any direction given relating to the proposed dealing;
- if a Staff member is directed not to undertake the proposed dealing, the Staff member must keep that information confidential and not disclose it to anyone;
- any confirmation provided by the Company Secretary that trading is permitted will be effective only for 24 hours from the time at which it is given, or as otherwise stated by the

Company Secretary. For the avoidance of doubt, this means that an on-market trade cannot be executed outside of that period (unless a new confirmation is provided), but may be settled in accordance with a trade executed within the permitted period; and

- confirmation by the Company Secretary does not constitute an endorsement, recommendation or approval of the dealing by or on behalf of any APN Entity, and does not impact your obligations in relation to insider trading. The confirmation merely exempts the relevant Staff member from the restrictions on trading which are imposed under this Policy.

## 6 When you can't trade

### 6.1 Trading in APN Entity or APN Fund

APN Staff members are not permitted to trade in any APN Entity or APN Fund under the following scenarios:

#### (a) When in possession of inside information

If an APN Staff member possesses inside information relating to an APN Entity or APN Fund, that person must not:

- (i) deal in the relevant APN Securities or enter into an agreement to do so;
- (ii) procure another person to deal in those APN Securities or enter into an agreement to do so; or
- (iii) pass on that information to anyone who is likely to engage in the activities specified in sections 6.1(a)(i) or 6.1(a)(ii) above.

#### Note:

- It does not matter how or in what capacity a member of Staff becomes aware of the inside information. Information does not have to be obtained from the APN Group to constitute inside information.
- A Staff member cannot avoid the insider trading prohibition by arranging for a member of that person's family or a friend to deal in Securities, nor may any Staff member give 'tips' to others concerning inside information relating to an APN Entity or APN Fund.

#### (b) During closed periods

A closed period is:

- (i) the period commencing on the day immediately after the end of the relevant Entity's financial half year and ending at the beginning of trading on the first trading day after the day on which the half year results announcement is made to the ASX by the APN Entity; and
- (ii) the period commencing on the day immediately after the end of the relevant APN Entity's financial year and ending at the beginning of trading on the first trading day after the day on which the annual results announcement is made to the ASX by the APN Entity;
- (iii) any other period determined by the Board or its delegate (Company Secretary). The Company Secretary may impose a closed period by notice at any time in respect of any APN Securities (including an unlisted fund). The period may apply only to selected APN Staff members (for example, Key Management

Persons) or otherwise, all APN Staff. The Company Secretary will notify of conditions and exceptions applicable, if any.

Certain exemptions can apply which allows for trading by an APN Entity or APN Fund during closed periods. Please refer to section 7.2 for details.

**(c) For speculative purposes**

Speculative purposes can encompass situations:

- (i) where such trading amounts to ‘short selling’;
- (ii) where the trading is directed at limiting the economic or financial risk associated with that Staff member's holding of APN Securities (including options over or rights in respect of APN Securities, and regardless of whether they have vested or remain unvested); or
- (iii) where such trading would otherwise enable that Staff member to profit from or limit the economic or financial risk of a decrease in the market price of the APN Securities.

**6.2 Trading in Securities of a company or fund outside the APN Group**

The restrictions in section 6.1(a) also apply to Securities issued by a company or fund outside the APN Group where the Staff member possess inside information relating to that company or fund. Such a company or fund could be (list not exhaustive):

- a joint venture or a collaborative partner of APN;
- one that APN has made (or intending to make) a takeover offer;
- one in which APN has a substantial interest (5% or more) in; and/or
- one that is listed in APN's Trading Universe.

**7 Exemptions which allow you to trade**

**7.1 Permitted by law**

The Corporations Act and the Corporations Regulations prescribe certain dealings or situations involving trading in Securities that are exempted from the insider trading prohibition in this Policy. These exemptions will also apply to APN Securities and include the following (list not exhaustive):

- (a) Employee incentive schemes - the application for, and acquisition under that application, of APN Securities under a scheme established solely or primarily for the benefit of employees; and
- (b) Underwriting arrangements - entering into an underwriting agreement or sub-underwriting agreement in respect of APN Securities and applying for, acquiring or disposing of APN Securities under that agreement, or any other transaction entered into by a person in accordance with certain obligations under an underwriting agreement.
- (c) Withdrawals from registered schemes - withdrawing from an APN Fund where the amount paid to you is calculated by reference to the underlying value of the assets of the APN Fund, less transaction charges for the withdrawal. For the avoidance of doubt, this does not include any Quoted APN Securities.

## 7.2 During closed periods

A Staff member (including a Director) can deal in APN Securities during closed periods, **subject to confirmation being obtained from the Company Secretary**, in the scenarios set out in Annexure B.

However, if the Staff member is in possession of inside information, they will still be prohibited from dealing in APN Securities even if one of the above scenarios exists.

## 8 Compulsory notifications of Directors

Directors must notify the Company Secretary and the ASX:

- (a) of any change to their holding of relevant interests in Quoted APN Securities;
- (b) whether the change to their holding occurred during a closed period; and
- (c) whether prior written clearance was required and, if required, whether it was obtained.

Whilst the Corporations Act requires directors to notify the ASX of any changes to their holdings within 14 days, APN is required under the ASX Listing Rules to notify these changes to the ASX within five business days of the change.

To enable APN to comply with the above obligation, Directors must provide the relevant information within three business days to the Company Secretary who will facilitate the transmission of these notifications to the ASX.

A summary of Directors Interest in APN Securities will be tabled at the next scheduled meeting of the Board. Directors are required to notify the Company Secretary immediately if any Directors Interest is recorded incorrectly.

## 9 Questions

If any member of APN Staff has any questions from time to time about the subject matter or requirements of this policy, that person should contact the Company Secretary in the first instance.

## 10 Changes to Policy

APN will review this policy periodically to ensure it remains appropriate to the legal and regulatory framework in which APN operates. Any changes will be communicated to APN Staff and posted on APN's intranet site and/or website (as deemed appropriate).

## 11 Definitions

**APN Entity** means any member of the APN Group and any of the APN Funds.

**APN FM** means APN Funds Management Limited.

**APN Fund** means any managed investment scheme managed by APN FM, APN RE or any other member of the APN Group.

**APN Group or APN** means APN PG and any of its controlled or related entities (which includes APN FM and APN RE).

**APN PG** means APN Property Group Limited.



**APN RE** means APN RE Limited.

**APN Securities** means any Securities in an APN Entity or APN Fund and includes:

- (a) shares in APN PG;
- (b) debentures of APN PG;
- (c) interests in any APN Fund; and
- (d) any other type of security in an APN Entity or APN Fund (including, but not limited to, any Securities that may become stapled to any other APN Security).

**APN Staff or Staff** means and includes any director, officer, senior manager or other employee of APN PG APN FM or APN RE and any other employee of or consultant to an APN Entity as designated by the board of APN PG, APN FM or APN RE.

**APN's Trading Universe** means the list of listed and unlisted Securities in any company or fund in which an APN Fund may trade from time to time. The list will be updated by APN regularly and will be accessible by all Staff on the APN's intranet.

**Associate** has the meaning given in the Corporations Act and, in general, should be regarded as someone or an entity:

- (a) whom the primary person controls either in a legal or practical sense;
- (b) with whom the primary person acts in concern; or
- (c) who is otherwise associated with the primary person, whether formally or informally, in any other way.

**ASX** means the Australian Securities Exchange.

**Board** means the board of directors of APN PG.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Key Management Person** means:

- (a) a director of APN PG, APN FM and/or APN RE;
- (b) a company secretary of APN PG, APN FM and/or APN RE;
- (c) a member of senior management of APN PG, APN FM and/or APN RE; and
- (d) each other person having authority and responsibility for planning, directing and controlling the activities of APN PG, APN FM or APN RE, directly or indirectly.

**Quoted APN Securities** means APN Securities that are quoted on the official list of ASX.

**Securities** means any of the financial products included in the definition of 'Division 3 financial products' in section 1042A of the Corporations Act and includes without limitation:

- (a) securities;
- (b) derivatives;
- (c) interests in a managed investment scheme; and

- (d) any other financial products that are able to be traded on a financial market.

## **Annexure A – Situations which may deem a person to be in possession of inside information**

A person may be considered to be in possession of inside information if such information relates to (list not exhaustive):

- the financial performance of APN PG or any APN Fund;
- changes or proposed changes in the actual or anticipated financial condition or business performance of APN PG or any APN Fund;
- a material change in an accounting policy adopted by APN PG or any APN Fund;
- changes or proposed changes in the capital structure of APN PG or any APN Fund, including proposals to raise additional equity or borrowings;
- a proposed increase or decrease in dividends or distributions;
- proposed changes in the nature of the business of APN PG or any APN Fund;
- changes to the Board of APN PG, APN FM or APN RE or significant changes in senior management;
- an undisclosed significant change in the market share of APN PG or any APN Fund;
- likely or actual entry into or loss of a material contract;
- material acquisitions or sales of assets by APN PG, APN FM or APN RE on behalf of any APN Fund; or
- a material claim against APN PG, APN FM or APN RE or any other unexpected liability.

## Annexure B – Trading activities allowed during closed periods

The following trading activities are allowed, **subject to prior confirmation being obtained from the Company Secretary**, during closed periods (list not exhaustive):

- (a) dealing in APN Securities by an APN Staff member which results in no change in that APN Staff member's beneficial interest in those APN Securities;
- (b) dealing in APN Securities which occurs via investments in a scheme or other arrangement where the investment decisions are exercised by a third party;
- (c) dealing in APN Securities where the APN Staff member has no control, influence or awareness with respect to trading decisions;
- (d) the APN Securities dealt with are not Quoted APN Securities and the APN Fund in which the securities are issued offers an ability to issue or redeem units based on a daily unit price, where that price is determined based on the daily fair value of the net assets of the unlisted fund;
- (e) disposals of APN Securities where the Board determines that there are exceptional circumstances, such as the Staff member is experiencing or would experience severe financial hardship if they have a pressing financial commitment and cannot meet that financial commitment without selling or otherwise disposing their APN Securities;<sup>1</sup>
- (f) transfers of APN Securities already held in a superannuation fund or other saving scheme in which the Staff member is a beneficiary (other than a fund or scheme where the Staff member is able to make decisions regarding the transfer of APN Securities);
- (g) transfers of APN Securities between a Staff member and someone closely related to the Staff member (such as a spouse, minor child, family company or family trust);
- (h) an acquisition of APN Securities under a security purchase plan or a dividend or distribution reinvestment plan provided that:
  - (i) the Staff member did not commence or amend their participation during a closed period; or
  - (ii) the Staff member did not withdraw from the plan during a closed period (other than in exceptional circumstances);
- (i) where the Staff member is a trustee, trading in APN Securities on behalf of that trust provided the restricted person is not a beneficiary of the trust and any decision to trade during a prohibited period is taken by the other trustees or by the investment managers independently of the restricted person;
- (j) undertakings to accept, or the acceptance of, a takeover offer;
- (k) cancellation of APN Securities as a result of failure to vest or other forfeiture of APN Securities received by Staff members as part of performance-based remuneration;
- (l) trading under an offer or invitation made to all or most of the security holders of the relevant entity, such as a rights issue or an equal access buy-back, where the plan that

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<sup>1</sup> APN considers that a tax liability would not ordinarily be considered to constitute severe financial hardship unless the Staff member has no other means of satisfying the liability. Likewise, a tax liability relating to APN Securities received under an employee incentive scheme would not ordinarily be considered to constitute severe financial hardship or otherwise be considered to constitute an exceptional circumstance.

determines the timing and structure of the offer has been approved by the board of that entity. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue; and

- (m) a disposal of APN Securities that is the result of a secured lender exercising its rights, for example, under a margin lending arrangement.