

**PROPERTY FOR INDUSTRY LIMITED  
SECURITIES TRADING POLICY**

**KEY POINTS**

- **Insider trading is prohibited at all times – if you have “Material Information” you cannot trade or pass on that information**
- **“Restricted Persons” must obtain consent to trade PFI listed securities at any time**
- **No trading by Restricted Persons during blackout periods**

**1. Policy Statement**

PFI is committed to transparency and fairness in dealing with all of its stakeholders and to ensuring adherence to all applicable laws and regulations.

No director, manager or representative may use their position of knowledge of the Company or its business to engage in securities trading for personal benefit or to provide benefit to any third party.

**2. Application**

This policy applies to all directors of PFI and its subsidiaries and to all directors, officers, employees and shareholders (other than independent trustees) of PFIM and MRCO (and any holding companies of those companies) who intend to trade in PFI listed securities. This policy also applies to any trading in PFI Listed Securities in which you are involved or instrumental, whether or not the relevant securities are held or received in your own name or that of your spouse or partner, dependent children and/or trusts of which you are a trustee or any company which you control.

In this policy, “**trade**” includes acquiring or disposing of listed securities, or agreeing to do so.

The requirements imposed by the policy are separate from, and in addition to, the legal prohibitions on insider trading in New Zealand.

In addition to this Policy, further more specific and stringent rules apply to trading in PFI's securities by directors, shareholders and certain senior employees of PFIM and MRCO (see Additional Trading Restrictions for Restricted Persons below).

**3. Glossary of Key Terms**

**Material Information:** information that:

- Is not generally available to the market; and
- If it were generally available to the market, a reasonable person would expect it to have a material effect on PFI's listed securities.

**MRCO:** McDougall Reidy & Co Limited, the sub-contracted administration manager of PFI.

**PFI:** Property For Industry Limited.

**PFIM:** PFIM Limited, the manager of PFI.

**Restricted Persons:**

- All directors of PFI, PFIM and MRCO; and
- Shareholders (other than independent trustees) of PFIM, MRCO and any holding companies of those companies;
- Senior employees of the Manager identified by the board; and
- Trusts and companies controlled by such persons.

**Restricted Securities:** PFI ordinary shares and any other listed securities of PFI or its subsidiaries, and any listed derivatives (including futures contracts listed on an authorised futures exchange) in respect of listed securities from time to time.

**4. Purpose**

The Board has developed this policy to meet PFI's legal obligation to prevent insider trading and to help directors, managers and employees avoid the serious consequences associated with violations of insider trading laws.

If any person does not understand any part of this policy, or how it applies, the matter should be raised with the Company Secretary before dealing with any securities covered by this policy.

**5. Fundamental Rule - Insider Trading is Prohibited at all Times**

If a person possesses Material Information (refer to definition below), then that person must not:

- Trade Restricted Securities;
- Advise or encourage others to trade, or hold any Restricted Securities;
- Advise or encourage a person to advise or encourage another person to trade or hold PFI's listed securities; or
- Pass on the Material Information to anyone else - including colleagues, family or friends - knowing (or where that person ought to have known) that the other person will use that information to trade, continue to hold, or advise or encourage someone else to trade, or hold, listed securities.

This offence, called "insider trading", can subject a person to criminal liability, including large fines and/or imprisonment, and civil liability, which may include being sued by another party or PFI, for any loss suffered as a result of illegal trading. In addition, PFI, PFIM or MRCO may take disciplinary action against any person who breaches this policy. In these circumstances you are likely to fall outside any company insurance or indemnity entitlements.

The prohibitions apply regardless of how the person learns of the information, and regardless of why the person is trading. Even if you cease to be a Restricted Person and/or leave PFI, PFIM or MRCO the prohibitions will still apply to you as a matter of general law if you remain in possession of material information.

You should note the insider trading laws apply not only to information you hold about PFI. If you have information in relation to securities of another listed firm, then the insider trading laws will apply to any conduct in relation to those securities.

## 6. Material Information

As set out in the Glossary section, "Material Information" is information that:

- Is not generally available to the market; and
- If it were generally available to the market, a reasonable person would expect it to have a material effect on PFI's listed securities.

Information is generally available to the market if:

- It has been released as an NZX announcement;
- Investors that commonly invest in PFI securities can readily obtain the information (whether by observation, use of expertise, purchase or other means); or
- It 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 Restricted Securities and a reasonable period for it to be disseminated among those persons has passed.

It does not matter how a person comes to know the material information (including for example in the course of carrying out responsibilities, or in passing in the corridor, or in a lift, or at a social function).

Information includes rumours, matters of supposition, intentions of a person (including PFI), and information which is insufficiently definite to warrant disclosure to the public.

### **What are some examples of Material Information?**

The following list is illustrative only. Material Information could include information concerning:

- The financial performance of PFI;
- The signing of a new tenant or the loss of a tenant;
- The revaluation of PFI's property portfolio;
- A possible change in the strategic direction of PFI;
- A possible acquisition or sale of any assets;
- Changes in PFI's actual or anticipated financial condition or business performance;
- A possible change in PFI's capital structure, including proposals to raise additional equity or borrowings;
- A change in the historical pattern of dividends;
- Board or senior management changes;
- A possible change in the regulatory environment affecting PFI;
- A material legal claim by or against PFI;
- Material increases or decreases in rent revenues or expenses (actual or anticipated);
- Changes in financial forecasts or expectations;
- Completed proposals or negotiations of a material nature;
- A material change in the business of PFI (including the nature of its properties);
- Appointment of a receiver or liquidator;
- Any under or oversubscription to a share issue;
- Notice of intention to make a takeover (whether given or received);
- Material agreements between the Company and its directors;
- Material senior staff changes at the Manager;
- Mergers;
- Material joint ventures;
- Material changes in management control;

- Material legal proceedings (which may include threatened proceedings or the risk of such proceedings);
- Outcomes of significant shareholder votes; or
- Any material unexpected liability, which has not been released to the market.

## 7. Exceptions

This policy does not apply to:

- Acquisitions and disposals by gift or inheritance;
- Acquisitions through an issue of new listed securities, such as an issue of new shares on the exercise of options, under a rights issue, or a dividend reinvestment plan;
- Trading of restricted securities where the trading results in no change to the beneficial interest in the restricted securities.

## 8. Short Term Trading Discouraged

PFI discourages all persons that this policy applies to from engaging in short term trading (the buying or selling of listed securities within a three month period), unless there are exceptional circumstances discussed with and approved by the Company Secretary.

Short term trading can be a key indicator of insider trading, particularly if undertaken on a regular basis or in large amounts. Therefore, to reduce the risk of an allegation of insider trading, do not trade listed securities on a short term basis.

## 9. If in Doubt, Don't Trade

The rules contained in this policy do not replace legal obligations. The boundary between what is (and is not) in breach of the law is not always clear. Sometimes behaviour considered to be ethical actually may be insider trading. If in doubt, don't!

## 10. Breaches of Policy

Potentially serious civil and criminal liability arises for breaches of insider trading laws. These laws also apply to individuals outside PFI, such as your family, should they become aware of material information. PFI and MRCO have agreed that breaches of this policy are also a breach of conditions of employment and may lead to disciplinary action, including dismissal.

## 11. Application

The Board of PFI has approved this policy. The Board may approve updates, amendments to and exemptions to this policy from time to time, which may be implemented by posting on PFI's website.

To the extent of any inconsistency with any previous policy or rules relating to this subject matter, this policy prevails

## 12. Disclosure and Consent

The additional disclosure and consent restrictions set out below apply to Restricted Persons. Restricted Persons will be considered responsible for the actions of trusts and companies controlled by them. In this respect, "control" is not to be construed in a technical way but by looking at how decisions are made in practice.

Restricted Persons who leave the Company or the Manager will remain subject to this policy, and will be deemed to remain Restricted Persons, for a period of 6 months after their date of departure.

If you are unsure whether these rules apply to you, you should contact the Company Secretary. On notification, Restricted Persons must immediately provide the Company Secretary with the Common Shareholder Number/s and other personal information relating to their PFI holdings for their personal accounts and any other accounts that they control.

### **13. Blackout Periods**

Restricted Persons must not trade in Restricted Securities during any of the following blackout periods:

- The period from the close of trading on 31 December of each year until the day following the announcement to the NZX of the preliminary final statement or full year results;
- The period from the close of trading on 30 June each year until the day following the announcement to the NZX of the half-yearly results; and
- Any other period that the Company Secretary specifies from time to time.

### **14. Exceptional Circumstances**

If a Restricted Person needs to trade in Restricted Securities due to exceptional circumstances during a blackout period, the Restricted Person may seek a waiver from the chair of the Audit and Risk Committee to trade in Restricted Securities (using the Request for Consent to Trade in Restricted Securities form attached).

In the case of proposed trading during a blackout period by a director, the Request for Consent form must be signed by the chair of the Audit and Risk Committee (or, in his or her absence another director) and in the case of proposed trading by the chair of the Audit and Risk Committee, the Request for Consent form must be signed by the chair of the Board of Directors.

An application from a Restricted Person to trade during a blackout period must set out the circumstances of the proposed dealing, including an explanation as to the reason the waiver is requested. A waiver will only be granted if:

- The circumstances giving rise to the request are deemed “exceptional” by the Board or its delegate, or fall within a recognised category of exceptional circumstances (i.e. severe financial hardship or compulsion by court order); and
- The application is accompanied by sufficient evidence (in the opinion of the person from whom consent is sought under this policy) that the trading of the relevant Restricted Securities is the most reasonable course of action available in the circumstances.

If a waiver is granted to trade during a blackout period, the Restricted Person will be notified in writing (which may include notification via email) and in each circumstance the duration of the waiver to trade in Restricted Securities will be ten trading days from the date of notification. A consent is automatically deemed to be withdrawn if the person becomes aware of material information prior to trading.

Unless otherwise specified in the notice, any dealing permitted during a blackout period must comply with the other sections of this Policy (to the extent applicable).

### **15. Trading Outside Blackout Periods**

Before trading in Restricted Securities at any time, Restricted Persons must, in writing:

- Notify PFI's Company Secretary of their intention to trade in securities, and seek consent to do so (using the Request for Consent to Trade in Restricted Securities form attached);
- Confirm that they do not hold material information; and
- Confirm that there is no known reason to prohibit trading in any Restricted Securities.

A consent is valid for a period of 10 trading days after notification. A consent is automatically deemed to be withdrawn if the person becomes aware of material information prior to trading.

In the case of proposed trading by a director of PFI, the Request for Consent form must be signed by the chair of the Audit and Risk Committee (or, in his or her absence, another director) and in the case of proposed trading by the chair of the Audit and Risk Committee, the Request for Consent form must be signed by the chair of the Board of Directors.

There are no "safe" periods for trading in Restricted Securities. You may never trade in Restricted Securities if you have material information – even if you are not in a blackout period.

#### **16. Requirements after Trading**

A Restricted Person must advise PFI's Company Secretary promptly following completion of any trade, and the Restricted Person must comply with any disclosure obligations it has under the Securities Markets (Disclosure of Relevant Interests by Directors and Officers) Regulations.

In addition to the requirements of the insider trading laws and PFI's Insider Trading Policy, directors and officers (being senior employees of MRCO identified by the board) are legally obliged to make certain disclosures in respect of an acquisition or a disposition of a relevant interest in PFI securities.

Disclosure must be made in accordance with the Companies Act 1993, the Securities Markets Act 1988 and the NZX Main Board Listing Rules. Under the Securities Markets Act 1988 all directors and officers must send a disclosure notice to the Company and to the NZX within 5 day of acquiring or disposing of a relevant interest in PFI securities.

The information required to be disclosed in the disclosure notice includes:

- The number and class of securities acquired or disposed of;
- The nature of the relevant interest in the securities;
- The consideration paid or received; and
- The date of the acquisition or disposition.

Directors and officers must ensure that the particulars of any securities trading disclosed to the Board are entered in PFI's Interests Register.

The obligation to disclose acquisitions and dispositions is a continuous obligation on directors and officers of PFI.

The definition of "relevant interest" is wide and is set out in the Securities Markets Act 1988. Essentially, a person will have a relevant interest in PFI shares or options where they:

Beneficially own the shares or options either directly or indirectly;

- Are able to acquire or dispose of, or to control, either alone or jointly with others, the acquisition or disposal of, the shares or options by another person;
- Have the power to exercise, or to control the exercise of, either alone or jointly with others, the voting rights on the shares;
- Are able to influence the board of a company which controls the voting rights on the shares or the sale or purchase of the shares or options;
- Have a shareholding of 20% or more in a company that owns shares or options;
- Will have any of the above rights at any time in the future under any arrangement.

However, it will also include shares or options held under a number of other types of arrangement (for example, shares held in a family trust). It is unlikely to include shares held by a person's spouse or partner (unless that person has some control over those shares) or in a unit trust or superannuation fund.

**PROPERTY FOR INDUSTRY LIMITED  
REQUEST FOR CONSENT TO TRADE IN LISTED SECURITIES**

**To:** Company Secretary, Property For Industry Limited

In accordance with PFI's Securities Trading Policy, I request PFI's consent be given to the following proposed transaction to be undertaken, either by me or persons associated with me, within 10 trading days of approval being given. I acknowledge PFI is not advising or encouraging me to trade or hold securities and does not provide any securities recommendation.

**Name:**

**Name of registered holder transacting (if different):**

**Address:**

**Position:**

**Description and number of securities:**

**Type of proposed transaction:** Purchase / Sale / Other (specify)

**Reason for proposed transaction:**

**To be transacted:** On NZX / Off-market trade / Other (specify)

**Likely date of transaction (on or about):**

I declare that I do not hold information which:

- Is not generally available to the market; and
- Would have a material effect on the price of PFI's listed securities if it were generally available to the market.

I know of no reason to prohibit me from trading in PFI's listed securities and certify that the details given above are complete, true and correct.

\_\_\_\_\_  
**Signature:**

\_\_\_\_\_  
**Date:**

PFI hereby **consents** / **does not consent** to the proposed transaction described above. Consent is conditional on the proposed transaction being completed within 10 trading days of the date of this consent, and in compliance with PFI's Securities Trading Policy.

\_\_\_\_\_  
**Name:**

\_\_\_\_\_  
**Date:**

on behalf of Property For Industry Limited