

Abacus Property Group

Trading Policy

Adopted: 2006

Amended: 1 April 2007; 10 April 2008; 14 November 2008; 14 May 2009; 9 December 2010; 30 April 2015

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1 Introduction

- 1.1 This policy concerns trading in securities of the Abacus Property Group (**APG**) and acquiring or disposing of securities in Abacus unlisted products.
- 1.2 APG directors and employees from time to time may have sensitive commercial information which has not yet been disclosed to the market but which could, if known, materially affect the value of the APG securities traded on the Australian Stock Exchange or the Abacus unlisted product.

2 Policy

- 2.1 No director or employee may trade in APG securities or the Abacus unlisted product at any time if they are in possession of unpublished information which, if generally available, might materially affect the price or value of APG securities or the Abacus unlisted product.

Prohibition

- 2.2 It is an offence under section 1043A of the Corporations Act for a person in possession of information that is not generally available but which, if it were generally available, might materially impact the price or value of a financial product to:
- trade in (ie apply for, acquire or dispose of, or enter into an agreement to do any of these things); or
 - procure another person to trade in

financial products.

- 2.3 It is also an offence to disclose the information to another person with the knowledge that that person could deal in financial products.

Material Information

- 2.4 Information having a material effect on the price or value of securities is information that is likely to influence persons who normally invest in securities in deciding whether or not to buy or sell the securities.
- 2.5 Material information could include the following:
- information relating to APG's financial results or the financial results for any relevant Abacus unlisted product;
 - changes to financial forecasts;
 - a material acquisition, divestment or realisation of assets;
 - information relating to a joint venture partner;
 - proposed distributions;
 - proposed changes in the capital structure; and
 - proposed changes in the nature of APG's business or the business of any relevant Abacus unlisted product.

3 APG Approach

- 3.1 Insider trading is a serious offence which attracts substantial penalties and could have a damaging impact on investor confidence in the value of APG securities or the value of any relevant Abacus unlisted product.
- 3.2 APG has developed the following approach to ensure that directors and employees do not breach the insider trading provisions:

Code of conduct

- 3.3 The prohibition on dealing in APG securities and Abacus unlisted product if in possession of 'inside information' is set out in the APG Code of Conduct. All directors and employees are provided with a copy of the Code of Conduct on commencement and sign an annual declaration that they comply with it.

Training

- 3.4 Employees and directors are trained on the legal and other compliance requirements relating to their employment or appointment on an annual basis.

Immediate disclosure of material information

- 3.5 In accordance with Listing Rule 3.1, APG immediately announces to the ASX any information that could have a material effect on the price or value of APG securities, subject to the exemptions provided in Listing Rule 3.2.
- 3.6 In accordance with Chapter 6CA of the Corporations Act Abacus immediately announces any information that could have a material effect on the price or value of Abacus unlisted securities that are ED securities subject to the exemptions provided in Chapter 6CA.

Limitation on trading by Directors and all staff

- 3.7 The limitations set out below include:
- direct acquisition of APG securities and unlisted products; and
 - indirect acquisition where a Director or staff member holds a relevant interest in the APG securities or unlisted products.

These limitations are in addition to the legal prohibitions against insider trading at any time. These trading windows are in place to counter any suspicion of insider trading rather than granting an open window where trading (including trading with knowledge of price sensitive information) can occur. APG may impose a restriction on trading during any period, including one that would otherwise fall within a permitted trading window.

Irrespective of whether or not trading occurs in a trading window, no trading can occur if it involves the use of inside information.

The Chairman does have a limited right to approve trading outside the trading windows outlined below in cases of genuine financial hardship or where the person is required by a court order or enforceable undertaking to transfer or sell the securities. Any request is to be made in writing to the Chairman and approval obtained prior to any trading being carried out.

The Managing Director has corresponding rights of approval if the Chairman is the person seeking approval.

Approval may be given or refused by the Chairman or the Managing Director (as the case may require) in their sole discretion and without reason and their decision is final.

Approval may be withdrawn if new information comes to light or there is a change in circumstances.

If the approval is denied, the person seeking approval must keep that information confidential.

APG securities

- 3.8 To ensure investor confidence, trading in APG securities by Directors and all staff is limited to the six week periods commencing on the second trading day after the half-year and full-year results are announced and after the Annual General Meeting.
- 3.9 The exception to this rule is participation in any Distribution Reinvestment Plan or Security Purchase Plan which may be open and is available to all security-holders on an equal basis or any employee securities acquisition plan.
- 3.10 In accordance with Listing Rule 3.19, APG advises the ASX when the notifiable interests of a director change.

Margin loans and other secured financing arrangements

- 3.11 Margin loans used to fund the purchase of securities may give the lender the right to require the sale of those securities at a time other than the trading windows provided in paragraph 3.8 above or at a time when the borrower has knowledge of market sensitive information. Such a sale may amount to insider trading.

Given this exposure, Directors and all staff are prohibited from holding APG securities which are subject to margin loans or similar funding arrangements unless they have written approval from the Chairman to do so (and the Managing Director has corresponding rights of approval if the Chairman is the person seeking approval).

Hedging Transactions

- 3.12 If a director or staff member enters into a hedging transaction to limit his or her exposure to Abacus securities (whether received under an equity based remuneration scheme or otherwise and whether vested or unvested), this may be interpreted by the market as a lack of confidence in the long term prospects of Abacus and/or as contributing to a misalignment with the interests of securityholders.

For those reasons, Directors and all staff are prohibited from entering into any transaction to hedge their exposure to Abacus securities.

Unlisted products

- 3.13 To ensure investor confidence, trading in unlisted products by Directors and all staff is limited to the following periods:
- closed end funds where the fund is open for a short period only – Directors and staff can acquire securities during the period the offer is open to other investors; and
 - open-ended funds – Directors and staff can participate in the offering for the first six weeks from the date of the initial offer document or any supplementary offer document. In addition Directors and staff may only acquire or trade in securities during the six week periods commencing on the second trading day after the half-

year and full-year results for the relevant fund are announced.

Directors Interests Notification

3.14 Directors have a legal obligation to:

- notify the market of any trading, whether in company securities or otherwise
- notify the market of a substantial shareholding (more than 5 per cent) or any change(s) in that shareholding
- update the company's register of directors interests, which may be minuted at the next board meeting

Trading Policy Disclosure

3.15 This trading policy must be disclosed to the ASX.

3.16 Where a material change is made to this trading policy, the amended policy must be disclosed to the ASX within 5 days of the material changes taking effect.