

## Security Trading Policy

### Overview

New Zealand law prohibits trading by a person who is an information insider of a listed entity. This policy has been designed to prevent improper trading of units in Vital Healthcare Property Trust (“**Vital**”) by Directors, officers and employees of NorthWest Healthcare Properties Management Limited (the “**Manager**”) and to provide assistance in complying with applicable law when trading in Vital units (or any other Vital securities from time to time).

### Application

This policy applies to Directors, officers and employees of the Manager and its related entities<sup>1</sup>. It also applies to those persons’ spouse or domestic partner, dependents, any other family members or any company or trust in which such persons have a legal controlling interest. For example, it will apply to the trustees of those persons’ family trust, or to a company that they own. Together, the persons to which this policy applies are referred to as “**restricted persons**”.

### Policy

This policy identifies circumstances where restricted persons are permitted to trade<sup>2</sup>, or are prohibited from trading, Vital units. Compliance with this policy is monitored by the Board. The requirements imposed by this policy are separate from, and in addition to, the legal prohibitions on insider trading in New Zealand and any other country where Vital’s securities may be listed from time to time.

In addition, all trading by Directors and senior managers of the Manager is required to be reported to NZX in accordance with subpart 6 of Part 5 of the *Financial Markets Conduct Act 2013* (the “**FMCA**”).

It is each person’s responsibility to ensure that he or she is familiar with and complies with this policy and applicable law. The requirements of this policy are outlined below.

### Fundamental Rule – Insider trading is prohibited at all times

This policy does not replace your legal obligations. If you possess material information about Vital that is not generally available to the market, you must not trade in Vital units. You must also not:

- ▶ advise or encourage others to trade or hold any Vital units; or

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<sup>1</sup> This policy will cease to apply in respect of a person when they cease to be a Director, officer or employee of the Manager. However, trade reporting requirements under subpart 6 of Part 5 of the FMCA will continue to apply for a further six months (see section 301 of the FMCA).

<sup>2</sup> In this policy, “trade” includes buying or selling units, or agreeing to do so, whether as principal or agent, or the cancellation of options.

- ▶ advise or encourage a person to advise or encourage another person to trade or hold Vital units; or
- ▶ directly or indirectly disclose or pass on the material information to anyone else – including colleagues, partners, family or friends, as well as companies, trusts or nominees and other persons over whom you have investment control or influence – knowing (or where you ought reasonably 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, Vital units.

This offence, called “insider trading”, can subject you to criminal liability including large fines and/or imprisonment, and civil liability, which may include being sued by another party or the Manager, for any loss suffered as a result of illegal trading. In these circumstances you are likely to fall outside any corporate insurance or indemnity entitlements.

The prohibitions apply regardless of how you learn of the information and regardless of why you are trading. Even if you change jobs within the Manager, or leave the organisation completely, the prohibitions will still apply to you as a matter of general law if you remain in possession of material information.

### **Material information / Inside information**

Price sensitive or material information that is not generally available to the public is commonly referred to as inside information. In relation to Vital, material information is information that a reasonable person would expect, if it were generally available to the market, would have a material effect on the price of Vital units.

Examples of material information could include:

- ▶ financial performance of Vital;
- ▶ the appointment, removal from office or resignation of any of the Chief Executive Officer, Chief Financial Officer, a Director or Chairman;
- ▶ a material acquisition or disposal of assets;
- ▶ significant difficulties or delays with a project or performance issues with an existing site;
- ▶ entry into or the likely entry into or termination or likely termination of material contracts or other business arrangements; or
- ▶ a possible change in Vital’s capital structure,

which has not been released to the market.

Ascertaining whether information is ‘generally available to the market’ involves assessing whether information has been:

- ▶ made known in a way that would or would likely to bring it to the attention of regular investors who are likely to be affected by it. A reasonable period of time must have expired for the information to spread among regular investors, so as to have been absorbed by the marketplace and make its impact on price; or
- ▶ if it is readily obtainable by regular investors who are likely to be affected by it. Information can be readily obtainable by observation, use of expertise, purchase from other persons, or any other means; or

- ▶ if it can be deduced, concluded or inferred from published or readily obtainable information.

You must not use *inside information* to trade, advise, procure or encourage another person to trade in Vital units (irrespective of whether the trading is for your benefit or someone else's benefit).

## Confidential information

Restricted persons also have a duty of confidentiality to the Manager. A restricted person must not:

- ▶ reveal confidential information concerning Vital to a third party (unless that third party has signed a confidentiality agreement with Vital and the restricted person has been authorised to disclose the confidential information);
- ▶ use confidential information in any way which may injure or cause loss to Vital; or
- ▶ use confidential information to gain a personal advantage.

## Black-out periods

Restricted persons are prohibited from trading<sup>1</sup> in any Vital units during the following specific black-out periods:

- ▶ 15 days prior to Vital's half-year balance date (i.e. 15 December), until the first trading day after the half-year results are released to NZX;
- ▶ 15 days prior to Vital's year-end balance date (i.e. 15 June ), until the first trading day after the full-year results are released to NZX; and
- ▶ any other period the Manager specifies from time to time.

The Manager's Board may provide a specific exemption or vary or suspend these black-out periods from time to time. For example, if the Manager's Board considers that there is no non-public material information, given market disclosures made, it could suspend a black-out period and permit trading (subject to pre-trade approval as described below).

If you hold *material information* you must not trade Vital units at any time, regardless of these periods.

## Pre-trade approval

Before trading in Vital units, at any time, restricted persons must, in writing:

- ▶ notify NorthWest's Chief Financial Officer of their intention to trade in securities, and seek consent from the Fund Manager or the Chief Financial Officer of the Manager to do so (using the [Request for Consent to Trade in Listed Securities](#) form);
- ▶ confirm that they do not hold material information; and
- ▶ confirm that there is no known reason to prohibit trading in Vital units.

Consent is only valid for a period of 15 trading days after notification and is automatically deemed to be withdrawn if the person becomes aware of material information prior to trading.

## Requirements after trading

A restricted person must advise the Chief Financial Officer promptly following completion of any trade, and if required the restricted person must comply with any disclosure obligations it has under subpart 3 of Part 5 of the *Financial Markets Conduct Regulations 2014*.

If a restricted person buys Vital units, these must be retained for at least 15 days following the last purchase; if a restricted person sells Vital units, they must not buy for at least 15 days following the last sell.

For example, if you buy 1,000 Vital units and hold them for 15 days, then subsequently buy a further 500 units, no Vital units can be sold until 15 days after the additional 500 units were purchased.

## Special Circumstances Trading

The Manager recognises that in certain circumstances a restricted person might need to trade in Vital units e.g. during a blackout period or 15 day exclusion period.

Special circumstances will be considered on a case by case basis having regard to whether the trade would be likely to affect Vital's interests and reputation; whether there is an actual or perceived conflict of interest; and all other factors it considers relevant to the circumstances.

In relation to the Distribution Reinvestment Plan (DRP) – participation in the DRP either by Full Participation or Partial Participation (as defined under the DRP) is permitted.

## Short Term Trading

Short term trading (the buying and selling of Vital units within a six month period) 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 units in Vital on a short-term basis.