

## **ESR GROUP LIMITED**

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### **EMPLOYEE DEALING AND THE HANDLING OF INSIDE INFORMATION**

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**OWNER: GROUP COMPLIANCE**

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## 1. INTRODUCTION

- 1.1. ESR Group Limited and its subsidiaries (collectively, “**ESR**” or the “**Group**”) is committed in the prevention of insider dealing / trading (collectively, “**dealing**”).
- 1.2. The Employee Dealing and The Handling of Inside Information Policy (“**Policy**”) is designed to prevent any conflicts, and to guard against the misuse of proprietary, confidential and insider information. The Group prohibits directors of the Group (“**Directors**”), and employees of the Group (collectively, “**Employees**”) from using confidential corporate information to make a profit (or avoid a loss) by dealing in the ESR equity, debt or derivative securities where applicable (the “**ESR Group Listed Securities**”).
- 1.3. This Policy outlines the rules to:
- (a) strengthen the protection mechanism of material non-public price sensitive information (“**MNPI**”) / insider information (collectively, “**Inside Information**”) held by the Group, Directors, or Employees in the ordinary course of business; and
  - (b) approve and monitor the dealing of the ESR Group Listed Securities listed on the stock exchanges. The ESR Group Listed Securities include the following listed securities:
    - i) ESR-REIT (J91U.SI),
    - ii) Fortune REIT (0778.HK),
    - iii) ESR Kendall Square REIT Co., Ltd. (365550.KS),
    - iv) Prosperity REIT (0808.HK),
    - v) Suntec REIT (T82U.SI), and
    - vi) ESR C-REIT (508078.SSE).

Directors and Employees must be cautious if they are in the possession of such Inside Information and strictly refrained from dealing with or improper disclosure to the other parties.

- 1.4. Given that insider dealing may differ among the jurisdictions in which the securities are listed on various stock exchanges, where a conflict arises between this Group

Policy and the local policies, the more restrictive provisions shall apply. If in doubt, please contact Group or Local Compliance for further guidance.

## 2. **PURPOSE AND SCOPE**

- 2.1 The Policy covers all ESR's Directors and Employees who may have access to Inside Information in relation to ESR Group Listed Securities. This Policy may apply to ESR's counterparties including but not limited to contractors and consultants who are engaged to work under the supervision, direction, or control of the Group and such other persons as determined by the Group (who have notified these third parties in writing) as being within the scope of this Policy. In this Policy, a person listed in this paragraph 2.1 is referred to as a ("**Relevant Person**").
- 2.2 The approval and monitoring of Director and Employee dealing and the handling of Inside Information with regard to (i) the ESR-REIT units and Suntec REIT units, which are listed on the Singapore Stock Exchange, (ii) the Fortune REIT units, Prosperity REIT units and Hui Xian REIT units, which are listed on the Hong Kong SAR Stock Exchange, (iii) the ESR Kendall Square REIT, which is listed on the South Korea Stock Exchange, and (iv) ESR C-REIT, which is listed on the Shanghai Stock Exchange are separately covered by this Policy and their respective Local Compliance policies / manuals in compliance with local regulatory requirements.
- 2.3 Insider dealing is a highly regulated area by regulators globally and it is generally categorised under the broader market misconduct regime for regulatory purposes.
- 2.4 Each Relevant Person must ensure that each of the persons below comply with the applicable restrictions and procedures in this Policy that the Relevant Person is required to comply in respect of any proposed dealings in ESR Group Listed Securities, of which any specific arrangement will need to be approved by the Board:
- (i) his or her spouse, partner or other person with whom he or she lives as if he or she were a spouse;
  - (ii) his or her children (natural or adopted) and stepchildren aged 18 or younger of him or her or of his or her spouse;
  - (iii) any person with whom he or she has an agreement or arrangement:
    - (A) with respect to dealing in the ESR Group Listed Securities; or

- (B) under which he or she undertook to act together in exercising his or her voting power at general meetings of ESR,
- (collectively, “**Affiliates**”);
- (iv) a corporation in which he or she controls, or his or her Affiliates are entitled to exercise or controls the exercise of one-third or more of the voting power at general meetings of the corporation or any corporation which is accustomed to acting or whose directors are accustomed to acting in accordance with the directions of him or her, or his or her Affiliates, and any of its subsidiaries;
  - (v) a trustee of a trust if:
    - (A) he or she is, or his or her Affiliates are, a beneficiary;
    - (B) he or she is a founder of a discretionary trust with the ability to exert any influence over the trustee; or
    - (C) he or she is a trustee, other than a trust of which:
      - (1) he or she is a bare trustee (i.e. a trustee with no powers or duties except to transfer the shares according to the directions of the beneficial owners), or
      - (2) he or she is a co-trustee and has not participated in or influenced the decision to deal in the ESR Group Listed Securities,and of which neither he or she, nor any of his or her Affiliates, are beneficiaries; and
  - (vi) such other persons as the Company Secretary or General Counsel may notify from time to time,
- (collectively, “**Related Persons**”).

- 2.5 To the extent that a Relevant Person places investment funds under professional management, discretionary or otherwise, that Relevant Person is required to ensure that the manager of each such investment fund (the “**Nominated Fund Manager**”) complies with the same restrictions and procedures in the Policy that the Relevant Person is required to comply with in respect of any proposed dealings in the ESR Group Listed Securities.

### 3. **INSIDER DEALING AND REGULATIONS**

- 3.1 This section provides a brief overview and preliminary understanding about insider dealing and the laws and regulations where ESR Group Listed Securities are listed.

- 3.2 In general, insider dealing is defined as dealing in the securities of a public listed company for making a gain or avoiding a loss based on Inside Information regarding the public listed company.
- 3.3 For the listed entity of ESR Group Listed Securities ("**ESR Listed Entity**"), insider dealing is covered by the Securities and Futures Ordinance ("**SFO**") Parts XIII and XIV which set out those restrictions in Hong Kong SAR. The Securities and Futures Act 2001 ("**SFA**") is the principal legislation dealing with insider dealing in Singapore and the Financial Investment Services and Capital Markets Act ("**FSCMA**") governs insider dealing activities in South Korea. Insider dealing in China is primarily governed by the Securities Law of the People's Republic of China ("**SL**").
- 3.4 The provisions governing insider dealing under the SFO, SFA, SL and FSCMA apply to "listed securities", namely, securities which are listed in Hong Kong SAR, China, Singapore or South Korea or are dual-listed in Hong Kong SAR/ China/ Singapore/ South Korea and overseas. The act of insider dealing, however, may take place in Hong Kong SAR, China, Singapore, South Korea or elsewhere. Consequently, any person who commits insider dealing in relation to such listed securities will be liable under the SFO, SFA, SL and FSCMA, regardless of whether they are based in Hong Kong SAR, China, Singapore or South Korea.

#### **4. INSIDE INFORMATION**

- 4.1 Inside Information comprises three key elements:
- (a) the information about the particular corporation must be specific;
  - (b) the information must not be generally known to that segment of the market which deals or which would likely deal in ESR Group Listed Securities; and
  - (c) the information if known, would likely have a material effect on the price of ESR Group Listed Securities.

## **5. HANDLING INSIDE INFORMATION**

- 5.1 It is important that any information which reasonably could be expected to affect the price of ESR Group Listed Securities be kept strictly confidential until public disclosure of such information is made. All Relevant Persons must not use or disclose any inside information in their possession, except in the proper discharge of their duties or with management's necessary prior approval or authorisation. All Relevant Persons should not discuss or disclose Inside Information with or in the presence of any person outside of ESR. If any Relevant Person has knowledge of such Inside Information, he or she must preserve its confidentiality until ESR discloses such Inside Information to the public.

## **6. BLACKOUT PERIODS**

- 6.1 All Relevant Persons are prohibited from dealing in ESR Group Listed Securities during the respective "blackout period".
- 6.2 For a REIT which is listed in Hong Kong SAR, the blackout period is defined as on any day on which the financial results of a REIT which is listed in Hong Kong SAR are published, and
- (a) during the period of 60 days immediately preceding the publication date of the annual results, or if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
  - (b) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.
- 6.3 For a REIT which is listed in Singapore, the blackout period is defined as
- (a) two weeks prior to the quarterly release / announcement of the company financial statements / investors slides/ business updates (i.e., at Quarter 1 and 3), and

- (b) one month before the date of announcement of half-year and full year results and (where applicable) any property valuations, and ending on the date of announcement of the relevant results or property valuations.

6.4 For a REIT which is listed in South Korea, the blackout period is defined as

- (a) 30 days before the publication date of half-business year and full business year results.
- (b) In addition, the REIT may announce special blackout periods from time to time.

## 7. **PRE-CLEARANCE APPROVAL**

7.1 Pre-clearance approval is required in the dealing of ESR Group Listed Securities by Directors and Employees under various situations.

## 8. **DEALING OF ESR GROUP LISTED SECURITIES**

### DIRECTORS

8.1 Directors on the board of ESR Group Limited and Directors of ESR's public REITs must observe the local listing rules and local regulatory requirements in respective jurisdictions in which the securities are listed on various stock exchanges, when dealing in respective ESR Group Listed Securities. The guidelines are separately covered by the respective Local Compliance policy / manual. For any enquiries, please contact the respective Local Compliance for further guidance.

### EMPLOYEES

8.2 All Employees must observe the following when dealing in ESR Group Listed Securities.

- (a) Employees are **strictly prohibited from dealing:**
  - i) When they are in possession of Inside Information; and/or



- ii) During the “blackout period” (please refer to Section 6 for more details).

Before seeking pre-clearance trade request for dealing in ESR Group Listed Securities under any circumstances, Employees are responsible for ensuring, and are deemed to undertake, that they are not in breach of this Section 8.2(a) above.

## **9. INFORMATION BARRIER & BARRIER CROSSING**

- 9.1 An information barrier will be implemented by the Group to restrict the flow of Inside Information from certain departments (e.g., investment and capital markets departments) to other departments (e.g., finance, legal & compliance, or corporate communication departments) and manage potential conflicts of interest that may arise within the Group. Employees are not allowed to share Inside Information across departments and refrain from entering different departmental zones within the office, unless for a valid business reason. The major purpose of an information barrier is to prevent the Group and its Employees from breaching insider dealing laws.
- 9.2 Most regulators considers that physical separation is not in itself enough to constitute an effective information barrier. The totality of controls will be assessed whether an effective system of functional barriers is in place such as the firm’s compliance culture and training, conflict management, forms of information handled and stored, or I.T. infrastructure.
- 9.3 Within ESR, whenever there is an information barrier or crossing of a barrier, Group Compliance may be appointed as an intermediary between the conflicted departments / teams to seek the necessary pre-approvals, confirm that there is no Inside Information involved and ensure that proper records are updated.

## **10. RESTRICTED DEALING LIST**

- 10.1 Restricted Dealing List is a list of public listed securities, other than ESR Group Listed Securities, in which dealing by the identified Employees is prohibited for the time during which the securities remain on the list. The list is managed and maintained separately by Local Compliance upon the notification from respective front office, deal

teams, finance department or any other Employee who has come into possession of Inside Information. The list is also used for the pre-approval checking in the prohibition of Employee trading and the review of the trading activities by the Employees for surveillance purposes.

- 10.2 Example of a Restricted Dealing List is a situation where ESR Listed Entity is undergoing a material transaction with another listed company but has yet to make a public announcement while in compliance with the local listing regulations. Employees working on this material transaction will be added to the Restricted Dealing List and are strictly prohibited from dealing in the relevant ESR Group Listed Securities and the other listed company until a time when the public announcement is released or when the transaction is aborted.

## **11. LOCAL EMPLOYEE DEALING POLICY FOR LICENSED ENTITIES (WHERE APPLICABLE)**

- 11.1 For the purposes of complying local laws, regulations and license requirements, some licensed entities of ESR have in place local Employee dealing policy on governing personal dealing. The Local Compliance maintains appropriate procedures to ensure compliance with the provisions set out in the local Employee dealing policy by all local Employees of the licensed entities.
- 11.2 All employees must avoid any dealing in securities or transaction that involves, or even appears to involve, a conflict of interest, diversion of ESR investment opportunity, or other impropriety with respect to dealing with ESR or acting on behalf of ESR.
- 11.3 Any Employee who wishes to obtain permission to deal in securities for any account in which he or she has direct or indirect beneficial interest must obtain pre-clearance from the reporting supervisor and the Local Compliance officer. Local Compliance shall maintain a record of all requests and the responses given.
- 11.4 No Employee may deal in a security as placed under the "Restricted Dealing List". All local Employees of licensed entities are required to provide copies of records and statements of personal transactions entered into by them to the Local Compliance officer or other persons designated by senior management within a defined timeframe, if applicable.

11.5 All local Employees are also required to comply with the Group Policy. As mentioned in Paragraph 1.4 above, given that insider dealing may differ among the jurisdictions in which the securities are listed on various stock exchanges, where a conflict arises between the Group Policy and the local policy, the more restrictive provisions shall apply.

## **12. REVIEW OF PERSONAL DEALING INFORMATION**

12.1 For insider dealing monitoring and surveillance purposes, both the Group/Local Compliance Department and Group Internal Audit Department have the rights to request Employees to provide details of their brokerage accounts for review and audit in making sure all dealing (including ESR Group Listed Securities and other securities listed in Restricted Dealing List as per section 10) are properly approved and not subject to any potential insider dealing. All information supplied may be available for inspection by the Board of Directors ("**BOD**"), senior management, Group Compliance or any party to which any investigation is referred by any regulators.

## **13. BREACH OF THE POLICY AND REGULATORY REQUIREMENTS**

13.1 Given that insider dealing activities may be sanctioned as either civil or a serious criminal offense subject to imprisonment and criminal fines for the individual involved in such unlawful conduct and exposing the Group to severe reputational risk, in addition to other various risks, any violation of this Policy will lead to disciplinary action, up to and including immediate termination of employment.

## **14. TRAINING AND ATTESTATION**

14.1 The Group provides periodic training on the Policy for new and existing Employees via the assigned e-learning course and other applicable training platforms to ensure that all Employees are aware of their personal obligations and responsibilities under this Policy as well as the relevant legislation and guidelines.

14.2 Employees shall also receive communications that convey the 'tone from the top' on a regular basis and also focus on the adherence to this Policy, including implications and disciplinary actions as a result of non-compliance.

- 14.3 Employees are required to complete an attestation confirming their undertaking of and adherence to this Policy, upon joining and on an annual basis.
- 14.4 Records of relevant training materials used and attendance details of the participants will be maintained in the e-learning system and kept by compliance.

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