



## Insider Trading Policy

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### 1. STATEMENT OF POLICY

AREIT, Inc. ("AREIT" or the "Corporation") adopts this Insider Trading policy to serve as a guide in the trading of the Corporation's securities as well as the Listed Subsidiaries' securities, where applicable.

AREIT is a real estate investment trust (REIT) and a publicly listed company with the Philippine Stock Exchange (PSE) and is mandated to comply with all laws, rules, regulations pertaining to Insider Trading under the Securities Regulation Code (SRC). Under Section 27 of the (SRC), it is unlawful for an insider to sell or buy shares of their respective companies while in possession of material information with respect to the company that is not generally available to the public.

### 2. COVERAGE

This policy shall apply to the Corporation's Covered Persons who are in possession of material non-public information of the Corporation.

This policy shall also apply to Extended Covered Persons as set forth in Section 7 hereof.

### 3. DEFINITION OF TERMS

- 3.1 Securities** shall include shares of stocks, bonds debentures, notes, evidences of indebtedness, asset-backed securities; investment contracts, certificates of interest or participation in a profit-sharing agreement, certificates of participation, trust certificates, voting trust certificates or similar instruments; and other instruments that may, in the future, be determined by the Securities and Exchange Commission (SEC).
- 3.2 Covered Persons** shall refer to all incumbent directors, officers, employees, consultants, advisers of the Corporation, AREIT Property Managers, Inc., and AREIT Fund Managers, Inc., and members of their immediate families who are living in the same household, who have the knowledge of material information about the Corporation that is not disclosed or generally available to the public.
  - 3.2.1 Officers** shall refer to the President and CEO, Chief Finance Officer, Chief Audit Executive, Chief Compliance Officer, Chief Risk Officer, Comptroller, Treasurer, Chief Information Officer, Data Privacy Officer, Corporate Secretary and Assistant Corporate Secretary.
  - 3.2.2 Extended Covered Persons** shall refer to all incumbent directors and Officers of the Corporation and members of their immediate families who are living in the same household, who have the knowledge of material information about the Listed Subsidiaries that is not disclosed or generally available to the public.
- 3.3 Listed Subsidiaries** shall refer to corporations duly registered with the Securities and Exchange Commission of the Philippines and whose securities are listed in the Philippine Stock Exchange and more than fifty percent (50%) of the voting stock of which is owned or controlled, directly or indirectly, through one or more intermediaries, by the Corporation,
- 3.4 Material Non-Public Information** shall refer to information that has not been disclosed to the public and would likely affect the market price of the Corporation's Securities after being



disseminated to the public and after the lapse of reasonable time for the market to absorb the information; or would be considered by a reasonable person as important, under the circumstances, in determining his/her/its course of action whether to buy, sell, or hold the Corporation's Securities. As a general rule, information required to be disclosed under the rules of the SEC and the PSE should always be considered material in nature. Material information includes, but is not limited to:

- a. Annual and quarterly financial results;
- b. Mergers/acquisitions/divestitures/joint ventures (equivalent to 10% or more of the Corporation's total assets);
- c. Dividend declarations and changes in dividend policy;
- d. Stock splits;
- e. Material equity investments, debt offerings or equity placements and offerings (involving amounts equivalent to 10% or more of the Corporation's total assets);
- f. Material litigation exposure (involving amounts equivalent to 10% or more of the Corporation's total assets); and
- g. Major changes in key senior management positions.

#### **4. PROVISIONS**

Trading by Covered Persons of the Corporation's securities is generally allowed by law and by the Corporation, except in the following instances:

##### **4.1 While in possession of material non-public information**

All Covered Persons, from the time they obtained knowledge of such material non-public information, are prohibited from trading the Corporation's Securities, directly or indirectly, and not allowed to communicate, directly or indirectly, such material non-public information to any person until it is disseminated to the public and two (2) trading days have lapsed from the disclosure thereof for the market to absorb such information.

##### **4.2 During a blackout period**

All Covered Persons are prohibited from trading the Corporation's Securities on the day of disclosure and during the following blackout periods, whether or not in possession of material non-public information:

- a. For structured disclosures - five (5) trading days before and two (2) trading days after the disclosure of quarterly and annual financial results; and

For non-structured disclosures – two (2) trading days after the disclosure of any material information other than quarterly and annual financial results.

Office bulletins for special blackout periods pertaining to non-structured disclosures will be issued by the Compliance Officer.

The sale of shares acquired from options is subject to the above-mentioned blackout periods. However, the exercise of stock options may be done at any time even during blackout periods.

##### **4.3 Within the Short-Swing Rule**

Any director or officer is prohibited from profiting from the purchase-and-sale or the sale-and-purchase of the Corporation's Securities within a period of less than six (6) months regardless of the intent, pursuant to Section 23.2 of the SRC in respect of the Short-Swing Rule.



The exceptions are: (i) if the Corporation's Securities were acquired in good faith in connection with debts previously contracted or obtained; and (ii) the transactions arising from compensation arrangements between the director or officer, and the Corporation, previously approved by the Board of Directors or the Executive Committee.

In addition to any disciplinary action that may be imposed for violation of this particular restriction, all profits realized within that period should be disgorged in favor of or turned over to the Corporation.

## **5. REPORTING OBLIGATION**

All incumbent directors and officers and their respective immediate family members who are living with them in the same household shall report their trades to the Office of the Compliance Officer within three (3) business days from dealing such Securities. This shall be subsequently reported to the SEC and PSE in compliance with existing rules and regulations.

All other Covered Persons, employees, consultants, and advisors of AREIT Property Managers, Inc., and AREIT Fund Managers, Inc. and members of their immediate families who are living in the same household shall likewise report their trades (if any) of the Corporation's Securities to the Office of the Compliance Officer, quarterly, within ten (10) days from the end of each quarter.

All trades must be reported within the prescribed period by sending an email to [areit.compliance@areit.com.ph](mailto:areit.compliance@areit.com.ph) in the prescribed format as set forth in Annex "A".

When in doubt, the Covered Person should consult the Office of the Compliance Officer, prior to transacting Securities of the Corporation, in order to determine if the trade will, or will not violate this policy.

## **6. REQUIREMENT FOR TRADING OF SECURITIES OF THE CORPORATION**

Officers of the Corporation who intend to or are trading the Securities of the Corporation are required to open an account with and trade the Corporation's Securities only through BPI Securities and execute the necessary waivers to allow the Corporation to examine such trades at any time. Directors of the Corporation who may be trading securities of the Corporation through BPI Securities or other securities firms shall likewise execute the necessary waivers to allow the Corporation to examine such trades at any time. The Corporation shall conduct regular compliance audits in this regard.

## **7. COVERED PERSONS FOR LISTED SUBSIDIARIES**

All the responsibilities and obligations imposed in this Policy on Covered Persons in respect of trading with the Corporation's securities are hereby imposed, to the fullest extent applicable, on Extended Covered Persons in respect of their trading activities involving securities of the Listed Subsidiaries, if applicable. For this purpose, Extended Covered Persons are required to submit to the Chief Compliance Officer a report on all their trading activities on securities of the Listed Subsidiaries no later than three (3) Business Days after trading such securities.

## **8. REPORTING TO THE CORPORATE GOVERNANCE AND NOMINATION COMMITTEE**

The Chief Compliance Officer shall submit a report to the Corporate Governance and Nomination Committee of the Corporation no later than fifteen (15) days after each quarter on all the trades made by Covered Persons based on all the reports received by the Compliance Office for the relevant quarter pursuant to Section 5 hereof.

## **9. CORRESPONDING SANCTIONS**



Violation of this policy shall be subject to the following disciplinary action:

<b>For Covered Persons:</b>	
None or late reporting of trades to the Office of the Compliance Officer; Violation of the Trading Blackout and Swing-Trade Rules	
<b>1<sup>st</sup> Offense</b>	Warning and 1% of the amount of each purchase or disposition or P50,000.00 whichever is higher
<b>2<sup>nd</sup> Offense</b>	5-Day Suspension and 2% of the amount of each purchase or disposition or P75,000.00 whichever is higher
<b>3<sup>rd</sup> Offense</b>	Dismissal

Such disciplinary actions are without prejudice to any civil or criminal fines or proceedings which the Corporation or regulators may file for violation of existing laws. The summary of fines of the SEC and PSE is set forth in Annex "B".

**10. EFFECTIVITY OF THE POLICY**

This amended Policy, approved by the Board of Directors on the 24<sup>th</sup> of February 2022 shall be effective immediately.



**JOSE EMMANUEL H. JALANDONI**  
Chairman



**MA. TERESA R. FAMY**  
Chief Compliance Officer





**ANNEX “B”: SUMMARY OF FINES OF THE SEC AND PSE**

SEC	PSE
<p><b><u>For the Corporation</u></b></p> <p><b>1. Late filing of Statement of Beneficial Ownership (SEC Form 23A/B)</b></p> <ul style="list-style-type: none"> <li>• 1<sup>st</sup> Offense – Warning</li> <li>• 2<sup>nd</sup> Offense – 1% of the amount of each purchase or disposition, or P10,000.00 per transaction whichever is higher plus P100.00 per day of delay</li> <li>• 3<sup>rd</sup> Offense – 2% of the amount of each purchase or disposition, or P20,000.00 per transaction whichever is higher plus P200.00 per day of delay</li> </ul> <p><b>2. Incomplete Statement of Beneficial Ownership (This shall be in addition to the penalty for late filing of the report per due date under the Rules)</b></p> <ul style="list-style-type: none"> <li>• 1<sup>st</sup> Offense – Reprimand/Warning</li> <li>• 2<sup>nd</sup> Offense – P10,000.00 plus P100.00 per day of delay of submission of the amended report</li> <li>• 3<sup>rd</sup> Offense - P10,000.00 plus P100.00 per day of delay of submission of the amended report</li> </ul> <p><b><u>For the Directors/Officers</u></b></p> <p><b>A. Qualifying or owning not more than 100 shares</b></p> <ul style="list-style-type: none"> <li>• 1<sup>st</sup> Offense – Reprimand/Warning</li> <li>• 2<sup>nd</sup> Offense - P10,000.00 plus P100.00 per day of delay of the submission of the report</li> <li>• 3<sup>rd</sup> Offense – P20,000.00 plus P200.00 per day of delay</li> </ul> <p><b>B. Owning more than 100 shares but less than 5% of the outstanding equity security</b></p> <ul style="list-style-type: none"> <li>• 1<sup>st</sup> Offense – Reprimand/Warning</li> <li>• 2<sup>nd</sup> Offense – P20,000.00 plus P100.00 per day of delay of the submission of the report</li> <li>• 3<sup>rd</sup> Offense – P40,000.00 plus P200.00 per day of delay</li> </ul> <p><b>C. Owning more than 5% but less than 10% of the outstanding equity security</b></p> <ul style="list-style-type: none"> <li>• 1<sup>st</sup> Offense – Reprimand/Warning</li> <li>• 2<sup>nd</sup> Offense – P10,000.00 plus P200.00 per day of delay of the submission of the report</li> <li>• 3<sup>rd</sup> Offense – P20,000.00 plus P200.00 per day of delay</li> </ul> <p>Continued non-payment of the assessed fine and/or failure to comply with the requirement, despite notice and hearing for a period of fifteen (15) days, shall be a sufficient ground for the Commission to take other appropriate action or remedies available under the Securities Regulation Code and other related laws.</p>	<p><b><u>For the Corporation</u></b></p> <p><b>SECTION 2. Penalty for Non-Compliance with Unstructured Disclosure Requirements – Any violation of the terms and conditions of the Listing Agreement and of any provisions of these Rules committed within a twelve-month period shall make the Issuer liable for the following penalties:</b></p> <ul style="list-style-type: none"> <li>• 1<sup>st</sup> Violation – P50,000.00</li> <li>• 2<sup>nd</sup> Violation – P75,000.00</li> <li>• 3<sup>rd</sup> Violation – Suspension of trading the issue for a period of one (1) month</li> <li>• 4<sup>th</sup> Violation – Ground for delisting</li> </ul> <p>An additional fine of P1,000.00 shall be imposed for each Trading Day during which the offense continues until and including the day on which the violation is rectified.</p> <p>Failure to pay within one (1) month from the imposition of the penalty and any additional fine imposed will result in the suspension of trading of the securities of the Issuer.</p> <p>Source:  <a href="https://pse.com.ph/resource/rulesAndRegulations/CONSOLIDATED%20RULES/Listing%20and%20Disclosure%20Rules.pdf">https://pse.com.ph/resource/rulesAndRegulations/CONSOLIDATED%20RULES/Listing%20and%20Disclosure%20Rules.pdf</a></p>



The commission of a fourth offense for the same violation is a ground for the suspension/revocation of the erring company's registration or secondary license which shall be made after notice and hearing, in accordance with the above-mentioned procedures.

Erring companies which are primarily regulated by other government agencies shall be endorsed thereto. The imposition of the foregoing penalties shall be without prejudice to the imposition of other administrative sanctions or to the filing of criminal charges against the person/s responsible.

Source:  
<https://www.sec.gov.ph/wp-content/uploads/2019/11/2017ScaleOfFines.pdf>