

ASX Release

Charter Hall Long WALE REIT Distribution Reinvestment Plan

8 February 2017

Charter Hall WALE Limited
ACN 610 772 202
AFSL 486721

Responsible Entity of Charter Hall
Long WALE REIT

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Charter Hall Long WALE REIT (ASX:CLW) (CLW or the REIT) today announced the establishment of a Distribution Reinvestment Plan (DRP) for the REIT.

A copy of the DRP Booklet is attached.

The DRP has not been activated for the quarter ending 31 December 2016 but may be activated in future.

About Charter Hall Long WALE REIT

Charter Hall Long WALE REIT is an Australian Real Estate Investment Trust ("REIT") listed on the ASX (ASX: CLW) and invests in high quality Australasian real estate assets that are predominantly leased to corporate and government tenants on long term leases.

Charter Hall Long WALE REIT is managed by Charter Hall Group (ASX:CHC) one of Australia's leading fully integrated property groups, with over 25 years' experience managing high quality property on behalf of institutional, wholesale and retail clients. Charter Hall has over \$17.5 billion of funds under management across the office, retail and industrial sectors. The Group has offices in Sydney, Melbourne, Brisbane, Adelaide and Perth.

The Group's success is underpinned by a highly skilled and motivated team with diverse expertise across property sectors and risk-return profiles. Sustainability is a key element of its business approach and by ensuring its actions are commercially sound and make a difference to its people, customers and the environment, Charter Hall can make a positive impact for its investors, the community and the Group.

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Charter Hall Long WALE REIT*

Distribution Reinvestment Plan Rules
December 2016

*comprising Charter Hall Direct Industrial Fund (ARSN 144 613 641), Canning Vale Logistics Trust No1 (ARSN 614 713 012), 218 Bannister Road Trust (ARSN 614 712 588), CPOF Kogarah Holding Trust (ARSN 614 714 073) Franklin Street Property Trust (ARSN 614 714 206), CHPT Dandenong Trust (ARSN 614 712 506) and LWR Finance Trust (ARSN 614 713 138)

Distribution Reinvestment Plan Rules

1. Definitions

In these Rules, unless the context otherwise indicates:

“**Administrators**” means the administrators of the Plan, being the directors of the Responsible Entity;

“**Application**” means a form of application approved by the Administrators from time to time;

“**ASX**” means the ASX Limited (ABN 98 008 624 691) or its successors;

“**ASX Listing Rules**” means the listing rules of ASX as waived or varied in relation to the REIT or the Stapled Securities;

“**ASX Trading Day**” means a Business Day on which buying and selling occurs on the financial market operated by ASX;

“**Business Day**” has the meaning given in the ASX Listing Rules.

“**Constitutions**” means the constitutions of the Stapled Trusts;

“**Distribution**” means an income distribution in respect of a Unit;

“**Long WALE REIT or REIT**” means the Stapled Trusts that are collectively quoted on the ASX as a Stapled Security under ASX code CLW;

“**Long WALE REIT Distribution Reinvestment Plan**” means this plan which has been agreed and implemented by the Responsible Entity as a Stapled Security reinvestment plan to permit distributions on Units to be reinvested in Stapled Securities;

“**Notice of Variation**” means a form of notice approved by the Administrators from time to time by which a Participant may vary or cancel participation in the Plan;

“**Participant**” means an eligible Securityholder with Stapled Securities participating in the Plan;

“**Plan**” means Long WALE REIT Distribution Reinvestment Plan;

“**Responsible Entity**” means the responsible entity of the Stapled Trusts, which as at the date of the initial adoption of this Plan is Charter Hall WALE Limited (ACN 610 772 202);

“**Rules**” means these rules governing the operation of the Plan;

“**Securityholder**” means the registered holder of a Stapled Security;

“**Security Registrar**” means the security registrar for Charter Hall Long WALE REIT (ASX.CLW);

“**Stapled Security**” means a stapled security in Long WALE REIT comprising one Unit in each of the Stapled Trusts which are traded together following Stapling;

“**Stapling**” means where a unit in each of the Stapled Trusts are stapled together to form a Stapled Security, as a consequence of being quoted together on an official stock exchange so that one security may not be dealt with without the other being dealt with in an identical manner and at the same time and with such restriction on dealing being denoted on the register of each security;

“**Stapled Trust or Stapled Trusts**” means each of Charter Hall Direct Industrial Fund (ARSN 144 613 641), Canning Vale Logistics Trust No1 (ARSN 614 713 012), 218 Bannister Road Trust (ARSN 614 712 588), CPOF Kogarah Holding Trust (ARSN 614 714 073) Franklin Street Property Trust (ARSN 614 714 206), CHPT Dandenong Trust (ARSN 614 712 506) and LWR Finance Trust (ARSN 614 713 138) collectively and each of them separately as the context requires; and

“**Unit**” means a unit in each of the Stapled Trusts collectively or individually as the context requires.

Distribution Reinvestment Plan Rules

2. Participation

- (a) Participation is optional and not transferable.
- (b) Each Securityholder whose registered address in the REIT's Stapled Securities register is in Australia or New Zealand is eligible to participate in the Plan unless that Securityholder holds Stapled Securities on behalf of another person who resides outside Australia and New Zealand and who would not themselves, if named in the REIT's Stapled Securities register, be eligible to participate in the Plan under rule 2(c);
- (c) Securityholders whose registered address is outside Australia or New Zealand may not participate in the Plan unless the Board at its sole discretion is satisfied that:
 - (i) the offer and issue or transfer of Stapled Securities under the Plan to that person is lawful and practicable in the jurisdiction in which they reside; and
 - (ii) that person does not hold Stapled Securities on behalf of any other person who would not, if named in the REIT's Stapled Securities register, be eligible to participate in the Plan themselves.
- (d) Every Securityholder who wishes to participate in the Plan must lodge an Application with the Security Registrar by physical or electronic delivery or whatever means accepted by the Security Registrar from time to time.
- (e) Each Application received by the Security Registrar will be effective in respect of the first Distribution payment after receipt of the Application, provided it is received on by the Security Registrar prior to 5.00PM AEST on the Business Day after the relevant record date for that Distribution.
- (f) An Application by joint holders of Stapled Securities must be signed by all joint holders.
- (g) An Application must be lodged for each Stapled Security holding account and each Stapled Security holding account of a Securityholder will be treated separately for all purposes under the Plan.
- (h) Each Participant acknowledges, by applying to participate in the Plan or varying or terminating their participation in the Plan, that neither the Responsible Entity or the Security Registrar has given, or is required to give, any investment, financial product, taxation or other advice concerning the Participant's decision regarding participation in the Plan.

3. Level of participation

- (a) A Securityholder must specify on the Application the extent to which the Securityholder wishes to participate in the Plan in respect of the nominated account. Participation in the Plan may be either:
 - (i) full participation for the whole of that Securityholder's holding from time to time however acquired (including Stapled Securities issued or transferred under the Plan); or
 - (ii) limited participation for a nominated number of that Securityholder's Stapled Securities. If at the record date for a Distribution the number of Stapled Securities held by the Participant is less than the nominated number, then the Plan will apply only to such lesser number for that Distribution.
- (b) Applications in respect of a Securityholder's holding which are duly signed, but which do not indicate the degree of participation selected, shall be deemed to be applications for full participation.
- (c) Long WALE REIT's records of the level of a Securityholder's participation and the number of Stapled Securities subject to the Plan will be conclusive evidence of the matters so recorded.

Distribution Reinvestment Plan Rules

4. Operation of the Plan

- (a) Subject to the Constitutions, and the Board of the Responsible Entity having determined that the Plan will apply to the relevant Distributions, the Distributions on Stapled Securities participating in the Plan will, upon payment, be applied by the Administrators to acquire additional Stapled Securities in the Long WALE REIT either by acquisition of existing Stapled Securities or the subscription for new Stapled Securities, at the discretion of the Administrators.
- (b) In respect of each Participant, the Administrators will establish and maintain a Plan account. At the time of each cash Distribution payment the Administrators will:
- (i) determine the Distribution payable in respect of the Stapled Securities subject to the Plan and any withholding tax payable or other amount that may be withheld in respect of such Stapled Securities;
 - (ii) credit the amount in Rule 4(b)(i) above net of any withholding tax payable, to the relevant Participant's Plan account; and
 - (iii) subject to the Constitutions, acquire additional Stapled Securities in the name of the Participant and apply the amount in the Participant's Plan account towards and in satisfaction of the acquisition or subscription price for those additional Stapled Securities.
- (c) Subject to these Rules, the number of Stapled Securities issued or transferred to a Participant will be the whole number equal to, or where not a whole number, rounded down to the nearest whole number calculated by the formula:

$$\text{Number of Stapled Securities} = \frac{D - T + R}{C}$$

“D” is the amount of the Distribution payable on the Participant's participating Stapled Securities as at the record date for that Distribution;

“T” is any withholding tax or other amounts to be withheld in relation to such Stapled Securities;

“R” is the residual positive balance carried forward in the Participant's Plan account; and

“C” is the average of the daily volume weighted average price of all sales of Stapled Securities recorded on ASX for each of the first ten (10) ASX Trading Days following the ASX Trading Day from and including the 3rd ASX Trading Day after the record date in respect of the relevant Distribution (unless the Administrators believe that this calculation does not provide a fair reflection of the market price of the Stapled Securities during this period in which event there shall be substituted for the amount so calculated the market price of the Stapled Security as determined by an expert, independent of the Administrators, whose identity and instructions will be determined by the Administrators), less such discount (if any) as determined by the Administrators from time to time and rounded as determined by the Administrators.

- (d) The acquisition price of the Stapled Securities to be issued or transferred under the Plan will be equal to “C” in Rule 4(c), and will be determined by the Responsible Entity;
- (e) Notwithstanding any other provision of this Plan, no Stapled Securities may be issued or transferred under the Plan unless the issue or transfer complies with the provisions of the constitutions of the Stapled Trusts relating to the stapling together of the components of Stapled Securities.
- (f) Distributions on Stapled Securities will be pooled for the purpose of calculating a Participant's entitlement to additional Stapled Securities under the Plan.
- (g) In relation to each Distribution, the amount of a Participant's Distribution on participating Stapled Securities not reinvested in Stapled Securities (including amounts representing a fraction of a Stapled Security), subject to proper withholding of any tax or other amounts will, at the election of the Administrators, either be:
- (i) recorded as a residual positive balance in the Participant's Plan account and will be carried forward to the next Distribution, in which case no interest will accrue in respect of any residual positive balance; or
 - (ii) subject to Rule 4(v), paid to the Participant upon request without interest.

Distribution Reinvestment Plan Rules

Issue or transfer of Stapled Securities

- (h) In the operation of the Plan, the Administrators may, in their discretion, either issue new Stapled Securities or cause existing Stapled Securities to be acquired for transfer to Participants, or a combination of both options, to satisfy the obligation of the Stapled Trusts to acquire Stapled Securities on behalf of Participants under the Plan.
- (i) If the Administrators determine to cause the transfer of Stapled Securities to Participants, the Stapled Securities may be acquired in such manner as the Administrators consider appropriate.
- (j) Newly issued Stapled Securities to be allotted under the Plan will be issued or transferred to Participants within the time required by the Listing Rules of the ASX.
- (k) All newly issued Stapled Securities allotted to Participants and Stapled Securities acquired and transferred to Participants under the Plan will, from allotment and transfer, rank equally in all respects with all other issued fully paid Stapled Securities and will participate fully in all Distributions subsequently declared.
- (l) Application will be made promptly after allotment of any Stapled Securities issued under the Plan for such Stapled Securities to be quoted on the ASX, if other Stapled Securities are quoted at that time.
- (m) By applying to participate in the Plan, the Participant agrees to the appointment of a trustee nominated by the Administrators as the agent of the Administrators to acquire Stapled Securities on market, where the Administrators decide to transfer Stapled Securities to Participants in accordance with Rules 4(h) and 4(i).
- (n) The Administrators have the discretion to have any issue or acquisition of Stapled Securities under the Plan underwritten.

Statements to Participants

After each Distribution payment, Participants will be sent a statement which will show:

- (o) the number of Stapled Securities participating in the Plan;
- (p) for the Distribution paid on those Stapled Securities:
 - (i) the amount comprising Distributions on the Participant's Stapled Securities and the amount of those Distributions reinvested in additional Stapled Securities under the Plan, and the amount applied towards the Participant's residual positive balance;
 - (ii) the amount of any deduction made from the Distribution;
- (q) the number of additional Stapled Securities issued or transferred and the price (and prices of the individual Units which together comprise the Stapled Securities) at which they were acquired; and
- (r) the total number of fully paid Stapled Securities held.

Distribution Reinvestment Plan Rules

Variation or cancellation of participation

- (s) A Participant may, by lodging a Notice of Variation with the Security Registrar, increase or decrease the number of Stapled Securities participating or cancel participation in the Plan. A Notice of Variation must be lodged for each holding account. To be effective for a forthcoming Distribution, the Notice of Variation must be received by the Security Registrar on or before the Business Day after the record date for that Distribution.
- (t) Where a Participant disposes of all Stapled Securities without giving the Security Registrar notice of cancellation of participation and such Participant is not registered as the holder of Stapled Securities as at the next record date, the Participant will be deemed to have cancelled participation on that record date.
- (u) When a Participant disposes of part of a holding of Stapled Securities and does not notify the Security Registrar, the Stapled Securities disposed of will, to the extent possible, be taken to be:
 - (i) first, Stapled Securities which are not participating in the Plan; and
 - (ii) second, Stapled Securities participating in the Plan.
- (v) Where a Participant ceases to participate in the Plan for any reason, including under rule 5 or 8, then any residual balance outstanding will become an asset of the Stapled Trusts as determined by the Administrators.
- (w) For the purpose of this rule 4, a Participant 'disposes' of Stapled Securities if the Participant holds fewer Stapled Securities on a Distribution record date than the Participant held on the preceding Distribution record date.

5. Administration, modification and cancellation of the Plan

- (a) This Plan will be administered by the Administrators who shall have the power to:
 - (i) determine appropriate procedures for the administration of the Plan, consistent with the provisions of these Rules and the Constitutions;
 - (ii) resolve conclusively all questions of fact or interpretation in connection with the Plan;
 - (iii) delegate, to the extent permitted, the exercise of any of their powers or discretions arising under the Plan to any one or more persons for such period and upon such conditions as they may determine; and
 - (iv) amend or add to these Rules on not less than one month's written notice to Securityholders. The Administrators are not required to give one month's written notice to Securityholders if they are of the opinion that the amendment or addition is not adverse to Securityholders. In such a case, the Administrators are obliged to notify Securityholders of a change within three months after it is made.
- (b) Notwithstanding any other provision of the Plan, the Plan must be administered in accordance with the Listing Rules of the ASX and, in accordance with each Trust's Constitution.
- (c) The Plan may be suspended or terminated by the Administrators at any time and the Administrators may decide for which Distributions, if any, the Plan is available.
- (d) The non-receipt by a Participant of any notice under the Plan or the accidental omission by the Administrators to give notice of modification or termination of the Plan shall not invalidate such modification or termination.
- (e) The Administrators reserve the discretion to waive strict compliance with any provisions of these Rules.

Receipt of an Application or Notice of Variation by the Security Registrar is deemed to be receipt by the Administrators.

Distribution Reinvestment Plan Rules

6. Costs to Participants

No brokerage, commissions, stamp duty or other transaction costs will be payable by Participants in respect of the application for and allotment or transfer of Stapled Securities under the Plan.

7. Participants to be bound

Participants are at all times bound by the Rules of the Plan.

8. Stapling

- (a) If Stapling ceases to apply, the Plan will terminate automatically.
- (b) To the extent that the Plan or the publication of the Plan may be an offer of securities, the Plan is a contemporaneous offer of identical numbers of Units which will be stapled together.
- (c) An Application and any Notice of Variation under the Plan is deemed to contemporaneously apply in relation to each of the Units which comprise Stapled Securities to be issued or transferred under the Plan.
- (d) If the Administrators determine to suspend or terminate the Plan, the Plan will be suspended or terminated automatically.

9. Effect of applying to participate

- (a) By applying to participate in the Plan, a Securityholder:
 - (i) authorises Responsible Entity (and its officers or agents) to correct any error in, or omission from, any form or instruction that it submits;
 - (ii) acknowledges that the Responsible Entity may at any time irrevocably determine that the form or instruction received from the applicant is valid, in accordance with these Rules, even if the form or instruction is incomplete, contains errors or is otherwise defective;
 - (iii) acknowledges that the Responsible Entity may reject any instruction form;
 - (iv) consents to the establishment of a Plan account on its behalf;
 - (v) consents to any residual positive balance produced by the calculation in these Rules remaining in its account rather than being paid;
 - (vi) agrees to the appointment of a trustee or nominee (including a broker or the Security Registrar) nominated by the Responsible Entity as the Participant's agent to acquire Securities, where the Administrators decide to allocate Stapled Securities to Participants by transferring existing Stapled Securities to them in accordance with these Rules;
 - (vii) consents to the contribution of any residual positive balance remaining in its Plan account to the Stapled Trusts, in the circumstances set out in rule 4(v);
 - (viii) acknowledges that the Responsible Entity may arrange for the Plan to be fully or partially underwritten in respect of any one or more Distributions;
 - (ix) warrants to the Responsible Entity in its capacity as responsible entity of each of the Stapled Trusts that the Participant is eligible to participate in the Plan and agrees to be bound by the Rules and constitutions of each of the Stapled Trusts in respect of all Stapled Securities issued to or acquired for the Securityholder under these Rules; and
 - (x) unconditionally agrees to the Rules and agrees not to do any act or thing that would be contrary to the spirit, intention or purpose of the Plan.

10. General

- (a) The Administrators and the Responsible Entity (nor any of the Responsible Entity's officers, employees or agents) are not responsible for any loss or alleged loss or disadvantage suffered or incurred directly or indirectly by a

Participant as a result of the establishment of, or operation of, the Plan, participation in the Plan or any advice given in relation to participation in the Plan.

- (b) The Responsible Entity may, in its sole discretion, arrange for the Plan to be underwritten in respect of a particular distribution on any terms the Responsible Entity determines appropriate in its absolute discretion.
- (c) The Administrators may:
 - (i) implement the Plan in the manner they think fit;
 - (ii) settle any difficulty, anomaly or dispute which may arise either generally or in a particular case in connection with, or by reason of, the operation of the Plan or these Rules as they think fit, whether generally or in relation to any Securityholder or Plan account or any Stapled Securities and the determination of the Administrators is conclusive and binding on all relevant Stapled Securityholders and other persons to whom the determination relates;
 - (iii) exercise powers, discretions, authorities and functions (including any power to make a choice, decision, determination or resolution) the Responsibility under these Rules; and
 - (iv) delegate any of their powers, discretions, authorities or functions under these Rules to any person or persons, including the Securities Registrar.
- (d) The Plan, its operation and these Rules are governed by the laws of the State of New South Wales and each Securityholder submits to the jurisdiction of the Courts of that State and the Courts which may hear appeals from those Courts.