

Charter Hall Group*

Notice of 2015 Annual General Meeting and Explanatory Memorandum

For a meeting to be held on Wednesday, 11 November 2015 at 2.30pm (Australian Eastern Daylight Time)

At Charter Hall, Level 20, 1 Martin Place Sydney NSW 2000

Contents

Chair's Letter	03
Location of the Meeting	04
Meeting Agenda	05
Meeting Protocol	05
Notice of Meeting	06
Entitlement to attend and vote	08
Explanatory Memorandum	09
Glossary and Interpretation	14
Corporate Directory	15

Separate Attachment

Proxy Form

9 October 2015

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Charter Hall Limited
ACN 113 531 150

Charter Hall Property Trust
ARSN 113 339 147

Dear Securityholder,

Letter from The Chair

Charter Hall Limited and Charter Hall Property Trust (Charter Hall Group) - Annual General Meeting

It is with pleasure that I invite you to the 2015 Annual General Meeting of Charter Hall Group (the Meeting) for a briefing on the Group's operations for the 2015 financial year and to consider the matters set out in the enclosed Notice of Meeting and Explanatory Memorandum.

The Meeting will be held on Wednesday, 11 November 2015 at 2.30pm (AEDT) at Charter Hall, Level 20, No.1 Martin Place, Sydney NSW 2000.

Please find enclosed the Notice of Meeting, Explanatory Memorandum, proxy form, and business reply envelope.

If you are attending the Meeting, please bring the attached proxy form with you as the barcode will assist in the registration process. If you are unable to attend, please complete and return your proxy form by no later than 2:30pm (AEDT) on Monday, 9 November 2015 in accordance with the instructions on the attached proxy form.

Securityholders have the opportunity to submit questions and/or to address questions to me, as Chair, and/or our external auditor, PricewaterhouseCoopers (PwC), prior to the Meeting. Please log on to www.linkmarketservices.com.au, select "Voting", then click "Ask a Question". Representatives from PwC will be present at the Meeting to respond to the questions received and to any additional questions. Please note that written questions for PwC must be sent to, and received by, Link Market Services Limited by no later than 5.00pm on Monday, 2 November 2015 in accordance with the instructions on the website.

If you require further information or have questions, please contact the Charter Hall Group Registry on +61 1300 664 498.

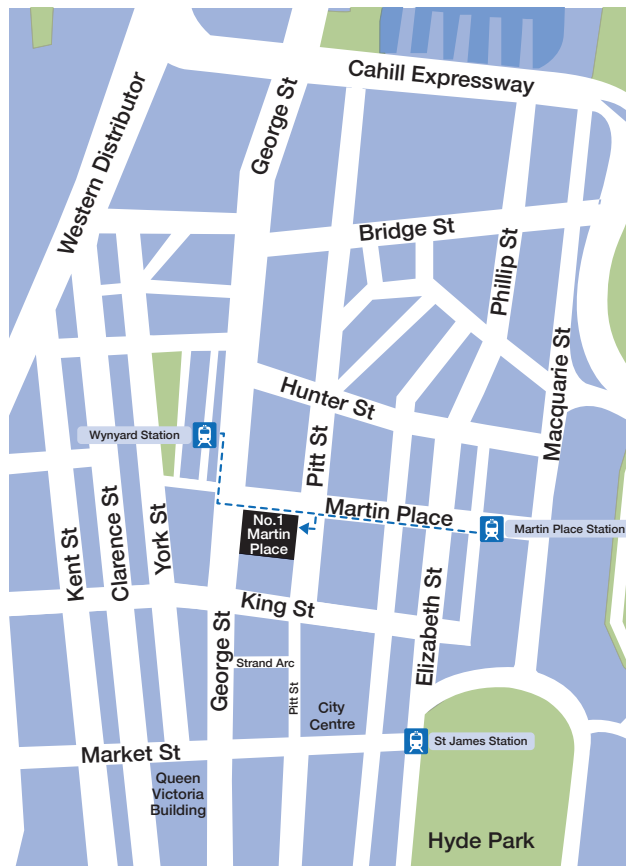
I look forward to your attendance at the Meeting.

Yours sincerely



David Clarke
Chair

Location of the meeting



Venue

Charter Hall Head Office Boardroom
Level 20, No.1 Martin Place, Sydney, NSW 2000

Commencing

2.30 pm (AEDT), Wednesday, 11 November 2015

Charter Hall Head Office

The office is conveniently situated in the middle of the Sydney CBD. Wynyard Station, only one block from the office, offers easy metro rail connections to the entire city. The city's ferry, train, bus and taxi facilities make all of Sydney easily accessible. Privately run bus services and a public train are also both available. Martin Place Railway Station, with service on all intercity and suburban trains, is conveniently located just a short walk away from the office.

By Taxi

A taxi rank is located directly outside the office entrance on Pitt Street. The nearest cross street is King Street.

By Car

Self and valet parking are available on-site in an underground garage. Alternative self-parking is offered through Wilson Parking at Angel Place. Self-parking and valet rates are available upon request.

By Train

Martin Place Railway Station is within walking distance from the office. This station offers service on all intercity and suburban trains and is a five-minute train ride to Central Station—the main station for all train services in Sydney.

By Bus

From 4 October 2015, a redesigned bus network will operate.

Most CBD bus routes will be affected, which means your usual route, timetable, route number and CBD bus stop may change.

Buses in the city centre will operate predominantly along new priority routes on Elizabeth Street, Castlereagh Street, Park Street, Druitt Street, Clarence Street and York Street. No buses will operate on George St during or after the construction of the CBD & South East Light Rail.

For more information on changes to bus routes and timetables please visit www.sydneybuses.info/ or phone 131500.

Tickets are required and must be pre-purchased prior to boarding. Charter Hall Concierge can advise on the appropriate ticket and the closest location for ticket purchase.

Meeting agenda

Wednesday, 11 November 2015

2.00pm	Registration begins
2.15pm	Light refreshments
2.30pm	Meeting commences
	Welcome to Securityholders – Chair
	Joint Managing Directors' presentation
	Items of Business

Meeting protocol

The Meeting is an important event and we encourage Securityholders to actively participate.

Important information about the conduct of the Meeting is set out below.

Discussion and asking questions

Discussion will take place on all the items of business as set out on pages 6 to 7.

The Explanatory Memorandum provides further information relating to the items of business.

Securityholders will have the opportunity to ask questions at the Meeting (including an opportunity to ask questions of the Auditor).

To ensure that as many Securityholders as possible have the opportunity to speak, Securityholders are requested to observe the following guidelines:

- Please keep questions as brief as possible and relevant to the matters being discussed.
- If a Securityholder has more than one question, please ask all questions at the one time.

Securityholders who are unable to attend the Meeting or who may prefer to register questions in advance are invited to do so. Please log onto www.linkmarketservices.com.au, select Voting then click 'Ask a Question'.

To use the online lodgement facility, Securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form).

An opportunity for discussion will be provided on each item of business prior to Securityholders being asked to vote.

Webcast and photography

For those that may not be able to attend the Meeting, we will make a delayed broadcast available via a webcast which will be able to be viewed at www.charterhall.com.au.

Cameras and recording devices are not permitted at the Meeting.

Notice of meeting

Charter Hall Limited (ACN 113 531 150) (CHL)
Charter Hall Property Trust (ARSN 113 339 147) (CHPT)

Notice is hereby given that the annual general meeting of CHL Shareholders and general meeting of CHPT Unitholders (together Securityholders) will be held at:

Charter Hall Head Office Boardroom,
Level 20, No.1 Martin Place, Sydney NSW 2000

At 2.30pm (AEDT) on Wednesday, 11 November 2015.

Important Information:

- 1) The resolutions should be read in conjunction with the Explanatory Memorandum which follows.**
- 2) Certain terms and abbreviations used below are defined in the Glossary at page 14 of this Notice of Meeting.**
- 3) As explained in the 'voting exclusions' paragraphs below, certain Securityholders are excluded from voting in relation to particular resolutions and Charter Hall Group must disregard votes cast by those Securityholders. Please do not vote if your vote must be disregarded or if you must not vote as outlined in the paragraphs below.**
- 4) The Meeting will be held in accordance with the Corporations Act, the Listing Rules, CHL's Constitution and CHPT's Constitution. Copies of both CHL's Constitution and CHPT's Constitution can be found on the Charter Hall Group's website (at www.charterhall.com.au/Corporate-Governance)**

The business of the meeting is as follows:

Business:

Item 1 – Annual Report

To receive and consider the Annual Report, consisting of the Financial Report, the Directors' Report, and Auditor's Report for the year ended 30 June 2015.

Note: There is no requirement for Securityholders to approve these reports.

Item 2 – Re-Election of Directors of CHL

To consider and, if thought fit, pass the following ordinary resolutions of CHL:

- 2.1 *"That Mr David Deverall, a Director of CHL retiring in accordance with the CHL Constitution, is re-elected as a Director of CHL."*
- 2.2 *"That Mr Philip Garling, a Director of CHL retiring in accordance with the CHL Constitution, is re-elected as a Director of CHL."*

Item 3 - Adoption of Remuneration Report

To consider and, if thought fit, pass the following ordinary resolution of CHL:

"That the Remuneration Report included in the Annual Report for the year ended 30 June 2015 be adopted."

Note: The vote on this resolution is advisory only and does not bind Charter Hall Group or the Directors of CHL.

Voting exclusions

CHL will disregard any votes cast on this resolution by Key Management Personnel or their Closely Related Parties (or any person voting on their behalf). However, CHL need not disregard a vote cast by such a person if:

- it is cast by the person as a proxy for a person who is entitled to vote on this resolution, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote on this resolution, in accordance with a direction on the proxy form.

Please refer to the instructions in the Explanatory Memorandum in relation to this item of business on how to appoint a proxy for this resolution.

Notice of meeting

Item 4 – Issue of service rights to Mr David Southon and Mr David Harrison (Performance Rights and Options Plan) (Deferred proportion of STI for FY15)

To consider and, if thought fit, pass the following ordinary resolutions of CHL and CHPT:

- 4.1 *“That approval is given for all purposes under the Corporations Act and the Listing Rules (in particular, Listing Rule 10.14) for the issue of 73,515 service rights to Mr David Southon as described in the Explanatory Memorandum.”*
- 4.2 *“That approval is given for all purposes under the Corporations Act and the Listing Rules (in particular, Listing Rule 10.14) for the issue of 86,840 service rights to Mr David Harrison as described in the Explanatory Memorandum.”*

Voting exclusions

CHL and CHFML will disregard any votes cast on these resolutions by:

- any Joint Managing Director; and
- any Associate of a Joint Managing Director; and
- any person voting on their behalf.

Additionally, CHL will also disregard any votes cast as a proxy on the proposed resolution by Key Management Personnel and their Closely Related Parties.

However, CHL and CHFML need not disregard the vote if:

- it is cast by a person as proxy for a person who is entitled to vote on these resolutions, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote on these resolutions, in accordance with a direction on the proxy form to vote as the proxy decides.

In accordance with section 253E of the Corporations Act, CHFML and its associates are not entitled to vote their interests (if any) on these resolutions at a meeting of CHPT Unitholders if they have an interest in these resolutions or matters other than as a CHPT Unitholder.

Item 5 – Issue of performance rights (Long Term Incentive) to Mr David Southon and Mr David Harrison (Performance Rights and Options Plan)

To consider and, if thought fit, pass the following ordinary resolutions of CHL and CHPT:

- 5.1 *“That approval is given for all purposes under the Corporations Act and the Listing Rules (in particular, Listing Rule 10.14) for the issue of 214,492 performance rights to Mr David Southon as described in the Explanatory Memorandum.”*
- 5.2 *“That approval is given for all purposes under the Corporations Act and the Listing Rules (in particular, Listing Rule 10.14) for the issue of 250,965 performance rights to Mr David Harrison as described in the Explanatory Memorandum.”*

Voting exclusions

CHL and CHFML will disregard any votes cast on these resolutions by:

- any Joint Managing Director; and
- any Associate of a Joint Managing Director; and
- any person voting on their behalf.

Additionally, CHL will also disregard any votes cast as a proxy on the proposed resolution by Key Management Personnel and their Closely Related Parties.

However, CHL and CHFML need not disregard the vote if:

- it is cast by a person as proxy for a person who is entitled to vote on these resolutions, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote on these resolutions, in accordance with a direction on the proxy form to vote as the proxy decides.

In accordance with section 253E of the Corporations Act, CHFML and its associates are not entitled to vote their interests (if any) on these resolutions at a meeting of CHPT Unitholders if they have an interest in these resolutions or matters other than as a CHPT Unitholder.

Entitlement to attend and vote

The Directors have determined that the holding of each Securityholder for the purposes of ascertaining the voting entitlements for the Meeting will be as it appears in the Register at 7.00pm on Monday, 9 November 2015.

At the Meeting, each Securityholder (in their capacity as a CHL Shareholder):

- on a show of hands, has 1 vote; and
- on a poll, has 1 vote for each CHL Share they hold.

At the Meeting, each Securityholder (in their capacity as a CHPT Unitholder):

- on a show of hands, has 1 vote; and
- on a poll, has 1 vote for each dollar of the value of the total interest they have in CHPT.

Voting by proxy

A Securityholder is entitled to appoint a proxy to attend and vote on behalf of the Securityholder at the Meeting. A proxy need not be a Securityholder of Charter Hall Group.

Securityholders wishing to appoint a Director (including the Chair of the Meeting) or other member of the Key Management Personnel of Charter Hall Group or their Closely Related Parties as their proxy should read carefully the instructions on the proxy form and follow these instructions to ensure their votes are not disregarded.

A Securityholder entitled to cast two or more votes at the Meeting may appoint two proxies and specify the proportion or number of votes each proxy is appointed to exercise. If the Securityholder appoints two proxies and does not specify the proportion or number of votes each proxy may exercise, then each proxy may exercise half of the votes.

A proxy form is attached to this Notice of Meeting. To be valid, proxy forms, and the authority under which any form appointing a proxy is signed or a certified copy of that authority (if any), must be received by no later than 2.30pm (AEDT) on Monday, 9 November 2015 in accordance with the instructions listed on the attached proxy form.

Alternatively, Securityholders may vote online at www.linkmarketservices.com.au, by entering the Securityholder's holding details as shown on the proxy form, then selecting "Voting", and then following the prompts to lodge the Securityholder's vote. To use the online lodgement facility, Securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form).

If a Securityholder returns its proxy form but does not nominate a representative, the Chair of the Meeting will be that Securityholder's proxy and will vote on that Securityholder's behalf as directed on the proxy form. If the Securityholder's nominated representative does not attend

the Meeting, then that Securityholder's proxy will revert to the Chair of the Meeting who may vote as he thinks fit (subject to the note below regarding Items 3, 4, and 5) in relation to any motion or resolution, other than those (if any) in respect of which the Securityholder has provided an indication of the manner of voting on that Securityholder's proxy form.

Undirected proxies

If a Securityholder does not wish to direct their proxy as to how to vote in respect of a resolution, that proxy may vote as he/she sees fit on each resolution, subject to the requirements of the Corporations Act and Listing Rules (discussed below).

Where permitted, the Chair of the Meeting in respect of each item of business intends to vote undirected proxies in favour of each of the items of business in the Notice of Meeting.

Remuneration related resolutions (Items 3 – 5)

If the Chair of the Meeting is appointed, or taken to be appointed, as a proxy, and the relevant Securityholder does not mark any of the voting boxes opposite Items 3, 4, and 5, the relevant Securityholder will be directing the Chair of the Meeting to vote in favour of the resolution on that Item.

Other Directors (including the Joint Managing Directors), members of the Key Management Personnel and their Closely Related Parties will not be able to vote undirected proxies on Items 3, 4, and 5.

Voting by attorney

A Securityholder may appoint an attorney to vote on his/her behalf. The attorney should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed, unless it has previously been given to Charter Hall Group or Link Market Services Limited.

Corporate representatives

A body corporate which is a Securityholder, or which has been appointed as a proxy, may appoint an individual to act as its representative at the Meeting. The appointment must comply with the requirements of sections 250D and 253B of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed, unless it has previously been given to Charter Hall Group or Link Market Services Limited.

By order of the Board



Tracey Jordan
Company Secretary

9 October 2015

Explanatory Memorandum

Item 1 – Annual Report

No Resolution is required for this item of business.

Copies of Charter Hall Group's 2015 Securityholder Review and Annual Report are available at www.charterhall.com.au, and copies will be made available at the Meeting. A copy of the Annual Report has been sent to those Securityholders who requested one. Securityholders who wish to receive a hard copy should contact Link Market Services Limited (see the Corporate Directory for contact details).

During this item of business an opportunity will be given to Securityholders to ask questions about, or make comments on, the management of Charter Hall Group at the Meeting.

Similarly, a reasonable opportunity will be given to Securityholders, as a whole, to ask the Charter Hall Group auditor, PwC, questions relevant to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by Charter Hall Group in relation to the preparation of its financial statements and the independence of the auditor in relation to the audit for the year ended 30 June 2015.

Securityholders may also submit questions in advance by logging on to www.linkmarketservices.com.au, selecting "Voting" then clicking "Ask a Question". Relevant written questions for PwC must be received by no later than 5.00pm (AEDT) on Monday, 2 November 2015 in accordance with the instructions on the website.

Item 2 – Re-Election of Directors of CHL

Listing Rule 14.4 provides that a director must not hold office (without re-election) past the third annual general meeting following the director's appointment or three years, whichever is longer. It also provides that an entity must hold an election of directors each year. These provisions are substantively replicated in Rule 42 of CHL's Constitution.

Listing Rule 14.4 also provides that managing directors are not subject to this requirement (i.e. to stand for re-election every three years) except in the case where there is more than one managing director, in which case only one managing director is entitled not to be subject to re-election. CHL appointed both Mr David Harrison and Mr David Southon as Joint Managing Directors in 2006 and the Board resolved that they would each be exempt from this requirement on a rotational basis. Mr David Southon stood for re-election in 2006 and 2012, and Mr David Harrison stood for re-election in 2009 and 2014.

Each of Mr David Deverall and Mr Philip Garling is eligible to be re-elected as a Director of CHL and offers himself for election. Information about the background and experience of Mr Deverall and Mr Garling is set out below:

Mr David Deverall – Non-Executive Director

David joined the Board of the Charter Hall Group on 7 May 2012, and is the Chair of the Audit Risk & Compliance Committee, and is a member of the Nomination Committee.

David is also Managing Director and CEO of Hunter Hall International Limited. Prior to this, David was the Managing Director and CEO of Perpetual Limited for eight years and during this time he was also Chair of The Financial Services Council.

David has extensive experience in financial services, funds management and strategy, having also been Group Head of Funds Management and Head of Strategy at Macquarie Group.

David holds an MBA and a Bachelor of Engineering (Mechanical).

Mr Philip Garling – Non-Executive Director

Philip joined the Board of the Charter Hall Group on 25 February 2013, and is a member of the Remuneration and Human Resources Committee. Philip has over 35 years' experience in property & infrastructure, development, operations and asset and investment management. Philip's executive career included 9 years as Global Head of Infrastructure at AMP Capital Investors and 22 years at Lend Lease Corporation including five years as CEO of Lend Lease Capital Services. Philip holds a Bachelor of Building from the University of NSW, and has completed the Advanced Management Program at the Australian Institute of Management, and the Advanced Diploma at the Australian Institute of Company Directors. He is a Fellow of the Australian Institute of Company Directors, Australian Institute of Building and Institution of Engineers, Australia. Other current listed company directorships are Downer EDI Limited. Former listed company directorships in last three years were DUET Group and Australian Renewable Fuels Limited.

Recommendation

The Directors of CHL (other than Mr Deverall and Mr Garling in respect of their re-election as Directors of CHL) unanimously endorse the re-election of Mr Deverall and Mr Philip Garling as Directors of CHL.

Explanatory Memorandum

Item 3: Adoption of Remuneration Report

As required by the Corporations Act, the Board is presenting the Remuneration Report to Securityholders for consideration and adoption.

The resolution is advisory only and does not bind the Directors.

The Remuneration Report provides Securityholders with an understanding of:

- Charter Hall Group's remuneration policies as they relate to Key Management Personnel;
- The link between remuneration and Charter Hall Group's performance; and
- Individual outcomes for Charter Hall Group's executives and Directors.

A copy of the Remuneration Report, which is part of the 2015 Annual Report, is available by contacting Link Market Services Limited (see the Corporate Directory for contact details) or by visiting Charter Hall Group's website.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting.

A voting exclusion statement applies to this resolution as set out in the Notice of Meeting.

Recommendation

The Directors unanimously recommend the Securityholders vote in favour of Item 3.

Item 4: Issue of service rights to Mr David Southon and Mr David Harrison (Performance Rights and Options Plan) (Deferred proportion of STI awarded for FY15)

In accordance with Listing Rule 10.14, Charter Hall Group is seeking the approval of Securityholders for a proposed allocation of service rights to each of the Joint Managing Directors, at no cost to them, under the PROP. The allocation of service rights is the deferred portion of the FY15 STI for each of the Joint Managing Directors (equivalent to one third of their on-target award and 100% of their above-target award for FY15).

Details of proposed allocation of Service rights under the PROP

Securityholder approval is sought for an allocation of:

- 73,515 service rights to Mr David Southon; and
- 86,840 service rights to Mr David Harrison.

The basis of the quantum of the proposed issue of service rights is explained in paragraph (e).

(a) Nature of the service rights

If the resolutions in Item 4 are approved, the Joint Managing Directors will receive the service rights in lieu of receiving cash, for one third of their on-target award and 100% of their above-target award for FY15.

The only vesting condition is that the Joint Managing Director is employed by the Charter Hall Group on 30 August 2016 for 50% of the service rights, and on 30 August 2017 for the remaining 50% of the service rights, at which time each service right will convert into a Staped Security.

(b) Date the service rights will be issued

If the resolutions in Item 4 are approved by Securityholders, the service rights are proposed to be issued in two tranches to Mr David Harrison and Mr David Southon as soon as practicable after the Meeting, but in any case, no later than 30 August 2016 for 50% of the service rights (the **First Issue Date**), and 30 August 2017 for the remaining 50% of the service rights (the **Second Issue Date**), and in any event, no later than three years after the date of the 2015 Annual General Meeting.

Each service right will convert into a fully paid Staped Security on 30 August 2016 and 30 August 2017 respectively if the relevant vesting condition is met.

Details of the service rights to be issued will be published in each annual report for Charter Hall Group relating to the period in which the service rights have been issued, noting that approval for the issue of the service rights was obtained pursuant to Listing Rule 10.14.

Any additional persons who become entitled to participate in the employee incentive scheme after the resolution is approved and who are not named in this notice of meeting will not participate until approval is obtained under Listing Rule 10.14.

If the resolutions in Item 4 are not approved by Securityholders, 50% of the deferred STI entitlement will vest on 1 July 2016, with a gross cash remuneration entitlement to be paid no later than 30 August 2016 as follows:

- \$156,954 to Mr David Southon; and
- \$185,402 to Mr David Harrison.

The remaining 50% of the deferred STI entitlement will vest on 1 July 2017, with a gross cash remuneration entitlement to be paid no later than 30 August 2017 as follows:

- \$159,953 to Mr David Southon; and
- \$185,401 to Mr David Harrison.

Explanatory Memorandum

(c) Maximum number of service rights to be provided

The maximum number of service rights that may be awarded to a Joint Managing Director pursuant to the resolutions proposed in Item 4 is:

- 73,515 service rights to Mr David Southon; and
- 86,840 service rights to Mr David Harrison.

(d) Vesting conditions of service rights

If a Joint Managing Director ceases to be employed (i.e. a Joint Managing Director resigns or is terminated by summary dismissal) by the Charter Hall Group before 30 August 2016, the service rights or cash pay rights (depending on whether the resolutions in Item 4 were approved by Securityholders) would be forfeited. If a Joint Managing Director's employment is terminated for any other reason before 30 August 2016, the service rights or cash pay rights (depending on whether the resolutions in Item 4 were approved by Securityholders) will vest.

If a Joint Managing Director ceases to be employed (i.e. a Joint Managing Director resigns or is terminated by summary dismissal) by the Charter Hall Group between 1 September 2016 and 30 August 2017, the second tranche (being the remaining 50%) of the service rights or cash pay rights (depending on whether the resolutions in Item 4 were approved by Securityholders) would be forfeited. If a Joint Managing Director's employment is terminated by the Charter Hall Group for any other reason between 1 September 2016 and 30 August 2017, the second tranche (being the remaining 50%) of the service rights or cash pay rights will vest (depending on whether the resolutions in Item 4 were approved by Securityholders).

(e) Basis for the quantum of the proposed issue of service rights to the Joint Managing Directors

STI Overview

In respect of FY15 any STI amount is subject to achieving 95% or more of the target annual OEPS. STI payments for FY15 related to the Charter Hall Group achieving an OEPS which exceed the Group target in addition to achieving other financial targets.

Once the OEPS threshold is reached, individual performance against other objectives becomes the basis for determining what STI payments are to be made to individuals, if any.

The Board, in consultation with the Remuneration and Human Resources Committee, assessed the performance of the Joint Managing Directors against their individual performance measures established for FY15. The Board also retains the discretion to increase/decrease the STI amount available based on its assessment of overall performance.

Individual performance objectives for the Joint Managing Directors were based on a number of quantitative and qualitative measures under two main categories, as follows:

For Mr David Southon:

- Financial Measures comprised of the OEPS of Charter Hall Group, the property funds management margin and growth in operating earnings, weighted at 50%
- Non Financial Measures, comprised of:
 - Partner measures weighted at 15%;
 - People measures weighted at 25%; and
 - Operational excellence measures weighted at 10%

For Mr David Harrison:

- Financial Measures comprised of the OEPS of Charter Hall Group, growth in funds under management, growth in operating earnings, and the property funds management margin, weighted at 50%.
- Non Financial Measures, comprised of:
 - Partner measures weighted at 15%;
 - People measures weighted at 25%; and
 - Operational excellence measures weighted at 10%

These performance measures were selected as they establish a clear link between executive reward and Charter Hall Group performance.

FY15 STI achievement

The number of service rights that each Director will be allocated has been determined by dividing the value of the deferred portion of the Joint Managing Directors' STI award for FY15 by the fair value of the service rights (i.e. \$4.27) calculated as at 3 September 2015 (being the date of allocation) calculated as an average price for each tranche using the Black-Scholes-Merton model determined by the Board and based on a valuation report prepared by Deloitte Touche Tohmatsu equating to 73,515 service rights to Mr David Southon and 86,840 service rights to Mr David Harrison.

(f) Other Matters

There are no loans to be granted by CHL or CHFML to either Joint Managing Director in relation to the acquisition of the service rights under the proposed grant in Item 4.

The PROP was first introduced in 2008.

Explanatory Memorandum

ASX Listing Rule 10.14 requires Securityholder approval for Directors to participate in an employee incentive scheme under which he or she acquires, or may in the future be entitled to acquire, securities. CHC Securityholders last approved an issue of performance rights and service rights under the PROP at the Annual General Meeting of Charter Hall Group held in November 2014. At the 2014 Annual General Meeting, Securityholders approved:

- the issue of 81,861 service rights (which represents FY14 deferred STI) and 210,730 performance rights (which represents FY15 LTI) to Mr David Southon, with a nil exercise price; and
- the issue of 95,504 service rights (which represents FY14 deferred STI) and 248,371 performance rights (which represents FY15 LTI) to Mr David Harrison, with a nil exercise price.

No amount was paid or payable on the issue of service rights and performance rights to Mr David Southon or Mr David Harrison which were approved at the 2014 Annual General Meeting. Apart from the Joint Managing Directors, no Directors or associates of Directors are participants in the PROP or have been invited to participate in the PROP.

A voting exclusion statement applies to this resolution as set out in the Notice of Meeting.

Recommendation

The Directors (other than Mr David Southon and Mr David Harrison) unanimously recommend that Securityholders vote in favour of the Item 4 resolutions.

Item 5 - Issue of performance rights (Long Term Incentive) to Mr David Southon and Mr David Harrison (Performance Rights and Options Plan)

ASX Listing Rule 10.14 requires Securityholder approval for Directors to participate in an employee incentive scheme under which he or she acquires, or may in the future be entitled to acquire, securities. Consequently, Charter Hall Group is seeking approval of Securityholders for the proposed allocation of performance rights in respect of the financial year ending 30 June 2016, to Mr David Southon and Mr David Harrison (each, a Joint Managing Director) under the PROP.

Details of the proposed allocation of performance rights under the PROP

In respect of the financial year ending on 30 June 2016, Securityholder approval is sought for an allocation of 3 year performance rights as an LTI for each of the Joint Managing Directors, at no cost to them, at the relevant award or, should any vest, at that date. The remuneration mix for the Joint Managing Directors includes an amount for LTI as follows:

- 214,492 performance rights to Mr David Southon (equivalent to \$845,095); and
- 250,965 performance rights to Mr David Harrison (equivalent to \$988,800),

based upon an LTI 3 year aggregate prima-facie value measured at 1 July 2015 of \$3.94 for each performance right for each of the Joint Managing Directors.

(a) Price of the performance rights

No amount is payable on the grant of an award of performance rights under the PROP. In addition, no amount is payable to exercise a performance right once it vests. Please refer to the information in paragraphs (d) and (e) below in relation to the relevant vesting conditions of performance rights.

If the applicable vesting service and performance conditions are met, a Joint Managing Director will be entitled to receive one fully paid Stapled Security in the Charter Hall Group in respect of each vested performance right (subject to adjustment in accordance with the Listing Rules in the event of a reorganisation of the issued ordinary share capital of CHL or issued unit capital of CHPT, or as otherwise contemplated by the PROP rules).

(b) Date the performance rights will be issued

If the resolutions in Item 5 are approved by Securityholders, the performance rights are proposed to be issued to each of Mr David Harrison and Mr David Southon as soon as practicable after the Meeting, but in any case, no later than twelve months after the date of the 2015 Annual General Meeting (the Issue Date).

(c) Maximum number of performance rights to be provided

Up until 1 July 2018, the maximum number of performance rights that may be acquired by each of the Joint Managing Directors pursuant to the resolutions proposed in Item 5, is 214,492 performance rights for Mr David Southon and 250,965 performance rights for Mr David Harrison based upon a valuation of \$3.94 per performance right.

(d) Vesting conditions of performance rights

The vesting of performance rights under the PROP is subject to both service and performance conditions.

Subject to both the service and performance conditions, any FY16 LTI performance right issued on or after 1 July 2015 may vest on 1 July 2018. These rights cannot be exercised until after the release of the full FY18 results, and are also subject to a further twelve month holding lock.

The performance conditions are based on absolute and relative total shareholder return (TSR) hurdles in equal proportions as follows:

Explanatory Memorandum

Absolute TSR performance condition

The percentage of performance rights that may vest on 1 July 2018 if the TSR for the 3 years from 1 July 2015 falls between 10% and 13% per annum will be determined on a linear basis starting with 50% vesting at the lower end of the range, moving to 100% vesting at the top of the range.

Relative TSR performance condition

The percentage that may vest on 1 July 2018 if the total compounded return for the 3 years falls between the total compounded return of the S&P/ASX 200 A-REIT Accumulation Index (XPJAI) and 1.10 times the total compounded return of XPJAI, determined on a linear basis. Vesting starts at 50% at the lower end of the range moving to 100% that will vest at the top of the range.

50% of performance rights are subject to the absolute TSR measure and 50% are subject to the relative TSR measure.

Any performance rights that fail to vest on 1 July 2018 are forfeited.

The Board considered that TSR is an appropriate performance hurdle because it ensures that a proportion of each participant's remuneration is linked to the market value of Charter Hall Group securities, ensuring that participants only receive a benefit where there is a corresponding direct benefit to Securityholders.

Absent any unusual circumstances where Board discretion ought to be exercised, in order to meet the service condition PROP participants must be employed by Charter Hall Group on the relevant vesting date of any performance right.

(e) Vesting period

For this proposed offer the absolute and relative return will be calculated over the three year period 1 July 2015 to 30 June 2018. The base price of Charter Hall Group's securities for calculation of the total return is the VWAP for the month of July 2015, namely \$4.64. If the performance conditions are met the rights will vest on 31 August 2018. Stapled Securities allocated on the automatic exercise of performance rights cannot be sold, transferred or otherwise dealt with until the end of the Restricted Period being 31 August 2019.

During the Restricted Period the employees will be entitled to vote and will receive distributions.

(f) Basis for the quantum of the proposed issue of performance rights to the Joint Managing Directors

The Remuneration Framework of the Joint Managing Directors is described in the Remuneration Report section of the Annual Report. In summary, it comprises base pay and benefits (fixed remuneration), an STI and an LTI.

A Black-Scholes-Merton valuation model has been utilised to arrive at the fair value of an LTI right at the time of its award to the employee. A Monte Carlo simulation has been utilised to calculate the aggregate accounting expense. These figures have been determined, based on a valuation report prepared by Deloitte Touche Tohmatsu.

As outlined in the Remuneration Report, the Board utilised the Black-Scholes-Merton valuation model for the allocation of LTI awards.

(g) Securities held

The number of Stapled Securities, options and performance rights currently held by the Joint Managing Directors is contained in the Annual Report.

(h) Other matters

There are no loans to be granted by CHL or CHFML to either of the Joint Managing Directors in relation to the acquisition of the performance rights under the proposed grant in Item 5.

The PROP was first introduced in 2008.

ASX Listing Rule 10.14 requires Securityholder approval for Directors to participate in an employee incentive scheme under which he or she acquires, or may in the future be entitled to acquire, securities. CHC Securityholders last approved an issue of performance rights and service rights under the PROP at the Annual General Meeting of Charter Hall Group held in November 2014. At the 2014 Annual General Meeting, Securityholders approved:

- the issue of 81,861 service rights (which represents FY14 deferred STI) and 210,730 performance rights (which represents FY15 LTI) to Mr David Southon, with a nil exercise price; and
- the issue of 95,504 service rights (which represents FY14 deferred STI) and 248,371 performance rights (which represents FY15 LTI) to Mr David Harrison, with a nil exercise price.

No amount was paid or payable on the issue of service rights and performance rights to Mr David Southon or Mr David Harrison which were approved at the 2014 Annual General Meeting. Apart from the Joint Managing Directors, no Directors or Associates of Directors are participants in the PROP or have been invited to participate in the PROP.

A voting exclusion statement applies to this resolution as set out in the Notice of Meeting.

Recommendation

The Directors (other than Mr David Southon and Mr David Harrison) unanimously recommend that Securityholders vote in favour of the Item 5 resolutions.

Glossary

Annual Report	the annual report of Charter Hall Group that includes the financial report, the Directors' report and the independent audit report for the period ended 30 June 2015
ASX	ASX Limited
Associate	the definition provided in the note to Rule 14.11 of the Listing Rules
Auditor or PwC	PricewaterhouseCoopers
Board	board of Directors of CHL and/or CHFML, as appropriate
Charter Hall Group	CHL and CHPT and, where appropriate, their controlled entities
CHFML or the Responsible Entity	Charter Hall Funds Management Limited (ACN 082 991 786; AFSL 262861) in its capacity as responsible entity of CHPT
CHL or the Company	Charter Hall Limited (ACN 113 531 150)
CHL Share	a share in CHL
CHL Shareholder	a registered holder of a CHL Share
CHPT	Charter Hall Property Trust (ARSN 113 339 147)
CHPT Unit	a unit in CHPT
CHPT Unitholder	a registered holder of a CHPT Unit
Closely Related Party	has the meaning given in the Corporations Act
Corporations Act	the Corporations Act 2001 (Cth)
Directors	the directors of CHL and/or CHFML, as appropriate
Explanatory Memorandum	the explanatory memorandum that accompanies this Notice of Meeting
Joint Managing Directors	David Harrison and David Southon, as joint managing directors of CHL
Key Management Personnel	has the meaning given in the Corporations Act
Listing Rules	Listing Rules of ASX
LTI	long term incentive
Meeting	the 2015 annual general meeting of CHL Shareholders and general meeting of CHPT Unitholders to be held together on 11 November 2015
Notice of Meeting	this notice of Meeting and any notice of any adjournment of the Meeting
OEPS	Operating Earnings per Share
PROP	Performance Rights and Options Plan of Charter Hall Group
Register	the register of Securityholders as maintained by Link Market Services Limited
Remuneration Report	the Remuneration Report included in the Annual Report
Securityholders	registered holders of Stapled Securities
Stapled Security	means a CHL Share stapled to a CHPT Unit
STI	short term incentive
TSR	total shareholder return
VWAP	volume weighted average price

Interpretation

The following rules apply unless the context requires otherwise:

- (a) The singular includes the plural, and the converse also applies.
- (b) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (c) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.

Corporate Directory

Corporate head office and registered office

Charter Hall Funds Management Limited
ACN 082 991 786
AFSL No. 262 861

Charter Hall Limited
ACN 113 531 150

Level 20
No.1 Martin Place
Sydney NSW 2000

Telephone: +61 2 8651 9000
Facsimile: +61 2 9221 4655

Principal Register

Link Market Services
Level 12
680 George Street
Sydney NSW 2000


Telephone: 1300 303 063
Facsimile: +61 2 9287 0303
Proxy Facsimile: +61 2 9287 0309


LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
Charter Hall Group
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**
Telephone: +61 1300 664 498

PROXY FORM

I/We being a member(s) of Charter Hall Group and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **2:30pm on Wednesday, 11 November 2015 at Level 20, No.1 Martin Place, Sydney NSW 2000 (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolutions 3, 4.1, 4.2, 5.1 and 5.2: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 3, 4.1, 4.2, 5.1 and 5.2, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.


VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
2.1 Re-election of Mr David Deverall, as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4.2 Issue of service rights to Mr David Harrison (Performance Rights and Options Plan)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.2 Re-election of Mr Philip Garling, as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5.1 Issue of performance rights to Mr David Southon (Performance Rights and Options Plan)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5.2 Issue of performance rights to Mr David Harrison (Performance Rights and Options Plan)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.1 Issue of service rights to Mr David Southon (Performance Rights and Options Plan)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

 * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Joint Securityholder 2 (Individual)

Joint Securityholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

HOW TO COMPLETE THIS SECURITYHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a securityholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's security registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **2:30pm on Monday, 9 November 2015**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your securityholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

Charter Hall Group
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**