

Charter Hall Retail REIT

Notice of 2015 annual unitholders meeting and explanatory memorandum

**For a meeting to be held on Tuesday, 17 November 2015 at 10:00am (AEDT) at
Level 20, 1 Martin Place, Sydney, NSW 2000**

Contents

Chairman's Letter	03
Location of the Meeting	04
Meeting Agenda	05
Meeting Protocol	05
Notice of Meeting	06
Entitlement to attend and vote	07
Explanatory Memorandum	09
Glossary	11
Corporate Directory	12

Separate Attachment

Proxy Form

26 October 2015

Level 20, No.1 Martin Place
Sydney NSW 2000
GPO Box 2704
Sydney NSW 2001

Tel +61 2 8651 9000
Fax +61 2 9221 4655
www.charterhall.com.au/cqr

Charter Hall Retail REIT
(ARSN 093 143 965)

Dear Unitholder

Charter Hall Retail REIT - Annual Unitholders Meeting

The directors of Charter Hall Retail Management Limited, the responsible entity of Charter Hall Retail REIT, would like to invite all Unitholders to the 2015 Annual Unitholders Meeting of the REIT, for a briefing on the REIT'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 Tuesday, 17 November 2015 at 10:00am (AEDT) at Level 20, 1 Martin Place, Sydney, NSW 2000.

Please find enclosed the Notice of Meeting, Explanatory Memorandum, proxy form and 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 10:00am (AEDT) on Sunday, 15 November 2015 in accordance with the instructions on page 7 and on the attached proxy form. As this is outside of business hours, please allow additional time if you wish to lodge your proxy by mail or by hand so that it is received by 5:00pm on Friday, 13 November 2015.

Unitholders have the opportunity to submit questions and/or to address questions to me (as Chairman) 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 or Charter Hall Retail Management Limited by no later than 5:00pm on Friday, 13 November 2015 in accordance with the instructions on the website.

If you require further information or have questions about voting, the resolutions or the upcoming Meeting, please contact the Charter Hall Retail REIT Registry, Link Market Services on +61 1300 303 063 (within and outside Australia).

I look forward to your attendance at the Meeting.

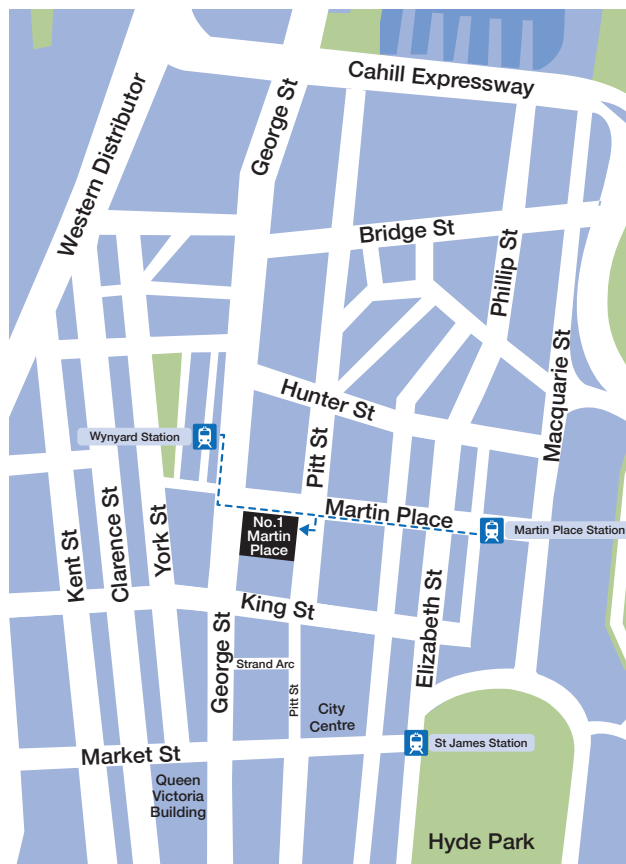
Yours sincerely



John Harkness

Chairman of Charter Hall Retail Management Limited

Location of the Meeting



Venue

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

Commencing

10:00am (AEDT), Tuesday, 17 November 2015

Charter Hall Head Office

The office is conveniently situated in the middle of the Sydney CBD. See below for information about transport options to the Meeting.

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 and Wynyard Railway Stations are within walking distance from the office. These stations offer service on all intercity and suburban trains and 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 has operated.

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

Buses in the city centre operate predominantly along new priority routes on Elizabeth Street, Castlereagh Street, Park Street, Drutt Street, Clarence Street and York Street.

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

Tuesday, 17 November 2015

- 9.30am Registration begins
- 9.45am Light refreshments
- 10.00am
 - Meeting commences
 - Welcome to Unitholders – Chairman
 - Fund Manager's presentation covering the REIT's operations for the 2015 financial year
 - Items of Business

Meeting protocol

The Meeting is an important event and we encourage Unitholders 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 page 6.

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

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

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

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

Unitholders 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".

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

Webcast and photography

For those that may not be able to attend the Meeting, we expect to make a delayed broadcast available via a webcast which will be able to be viewed at www.charterhall.com.au. For the safety and security of all those present at the Meeting, cameras and recording devices are not permitted.

Notice of Meeting

Charter Hall Retail REIT (ARSN 093 143 965)

Notice is hereby given by Charter Hall Retail Management Limited ACN 069 709 468 AFSL 246 996 as responsible entity of Charter Hall REIT ARSN 093 143 965 that the annual Unitholders' meeting of Charter Hall Retail REIT will be held at Level 20, 1 Martin Place, Sydney, NSW 2000 at 10:00am (AEDT) on Tuesday, 17 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 11 of this Notice of Meeting.**
- 3) **The Meeting will be held in accordance with the Corporations Act, the Listing Rules, and the REIT's Constitution. A copy of the REIT's current Constitution can be found on the Charter Hall Group's website (at www.charterhall.com.au/Funds/Retail/Charter-Hall-Retail-REIT/About/Corporate-Governance/)**

The business of the Meeting is as follows:

Business

Item 1 – Re-election of Independent Director

To consider, and if thought fit, pass the following resolution, as an advisory, non-binding resolution of the Unitholders:

- 1.1 *"That Alan Rattray-Wood, an Independent Director of CHRML be re-elected as a director of CHRML".*

Item 2 – Approval of issue of Units to Charter Hall Group in connection with the acquisition of a 47.5% interest in Charter Retail Partnership No. 2 Trust, which owns the Bateau Bay Square shopping centre, Bateau Bay, NSW

To consider, and if thought fit, pass the following resolution as an ordinary resolution of Unitholders:

- 2.1 *"That for the purposes of Listing Rule 10.11 and all other purposes, the issue of Units to Charter Hall Group on the terms described in the Explanatory Memorandum accompanying this Notice of Meeting is approved."*

Item 3 – Ratification of Institutional Placement

To consider, and if thought fit, pass the following resolution as an ordinary resolution of Unitholders:

- 3.1 *"That for the purposes of Listing Rule 7.4 and for all other purposes, the issue of 12,437,810 fully paid ordinary Units by Charter Hall Retail REIT at \$4.02 per Unit on 24 August 2015 to certain institutional, professional and other wholesale investors under an institutional placement for the purposes and on the terms set out in the Explanatory Memorandum accompanying this Notice of Meeting is ratified."*

Entitlement to attend and vote

Voting Exclusion Statement

CHRML as responsible entity of the REIT will disregard any votes cast on resolution 2 by:

- Charter Hall Group; and
- any associates of Charter Hall Group.

CHRML as responsible entity of the REIT will disregard any votes cast on resolution 3 by:

- any person who participated in the Institutional Placement and their associates; and
- any proxy holder, whether of a directed or undirected proxy, for any person who participated in the Institutional Placement and their associates.

However CHRML need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, 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, in accordance with a direction of the proxy form to vote as the proxy decides.

Application of Listing Rule 7.1

Once Unitholder approval is obtained pursuant to Listing Rule 10.11, the REIT is entitled to rely on Listing Rule 7.2, exception 14 in respect of the issue of Units to Charter Hall Group pursuant to resolution 2 such that separate approval is not required under Listing Rule 7.1

Quorum

Under the Constitution, the required quorum for the Meeting is 2 Unitholders present in person or by proxy holding at least 10% of all Units.

Voting by proxy

A Unitholder is entitled to appoint a proxy to attend and vote on behalf of the Unitholder at the Meeting. A proxy need not be a Unitholder of the REIT.

A Unitholder 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 Unitholder 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 any authority or power of attorney under which any proxy form is signed or a certified copy of that authority or power of attorney (if any), must be received at the office of Link Market Services Limited or at the registered office of CHRML; or by facsimile to Link Market Services Limited or CHRML (see contact details in bold font directly below) by no later than 10:00am (AEDT) on Sunday, 15 November 2015. As this is outside of business hours, please allow additional time if you wish to lodge your proxy by mail or by hand so that it is received by 5:00pm on Friday, 13 November 2015. Please note that certified copies of authorities or powers of attorney cannot be received by facsimile and may only be received by mail or by hand delivery.

The office of Link Market Services Limited is at 1A Homebush Bay Drive, Rhodes NSW 2138 and the facsimile number is +61 2 9287 0309.

The registered office of Charter Hall Retail Management Limited is at Level 20, 1 Martin Place, Sydney, and the facsimile number is +61 2 8908 4040.

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

If a Unitholder returns its proxy form but does not nominate a proxy, the Chairman of the Meeting will be that Unitholder's proxy and will vote on that Unitholder's behalf as directed on the proxy form. If the Unitholder's nominated proxy does not attend the Meeting, then that Unitholder's proxy will revert to the Chairman of the Meeting who may vote as he thinks fit in relation to any motion or resolution other than those (if any) in respect of which an indication of the manner of voting is given on that Unitholder's proxy form.

Entitlement to attend and vote

Voting

Resolutions 2 and 3 are ordinary resolutions and will be decided on a show of hands unless a poll is required by the Corporations Act or properly demanded. Each of resolution 2 and resolution 3 will be passed if more than 50% of the votes cast by or on behalf of Unitholders entitled to vote on that resolution are in favour of the resolution. Resolution 1 is an advisory, non-binding resolution.

Undirected proxies

Where permitted by law, the Chairman of the Meeting intends to vote undirected proxies in favour of each of the items of business in the Notice of Meeting.

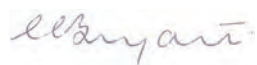
Voting by attorney

A Unitholder may appoint an attorney to vote on his/her behalf. For an appointment to be effective for the Meeting, the instrument effecting the appointment (or a certified copy of it) must be received by CHRML or Link Market Services Limited using the contact details listed above in the section headed "Voting by proxy" by no later than 10:00am (AEDT) on Sunday, 15 November 2015. As this is outside of business hours, please allow additional time if you wish to lodge your proxy by mail or by hand so that it is received by 5:00pm on Friday, 13 November 2015.

Corporate representatives

A body corporate which is a Unitholder, 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 section 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 CHRML or Link Market Services.

By order of the Board



Mark Bryant

Company Secretary
26 October 2015

Explanatory memorandum

Item 1 – Re-election of Independent Director of CHRML

On 24 November 2011, the Board of CHRML announced the results of a corporate governance and fee review undertaken by the Independent Directors with the assistance from Ernst & Young (see the ASX announcement dated 24 November 2011) (the E&Y Review). The Directors of CHRML have adopted all of the corporate governance recommendations in the E&Y Review, including that a term limit of three years be introduced for independent directors of CHRML (to be implemented on a rolling basis with one independent director being considered for re-appointment every year) and that the Unitholders be asked to ratify any such appointment by a non-binding vote.

In accordance with the E&Y Review, Mr Alan Rattray-Wood offered himself for re-election as a Director of CHRML, and was re-elected by unanimous resolution of the Directors of CHRML. This constitutes Mr Alan Rattray-Wood's third term of office as a Director of CHRML, with a cap of four terms adopted following the E&Y review.

Under CHRML's Constitution, only the Directors of CHRML or the shareholders of CHRML may appoint a Director of CHRML. While the Unitholders are being asked to vote in relation to the ratification of the re-election of Mr Alan Rattray-Wood as a Director of CHRML, Unitholders should note that this resolution is advisory only and is non-binding on CHRML, its shareholders or the Directors. The Directors do, however, intend to give due consideration to the results of this resolution to determine the composition of the Board.

Mr Alan Rattray-Wood's biography is set out below:

Mr Alan Rattray-Wood – Independent Director

Alan was appointed to the Board of the management company for the REIT on 6 March 1996, and is a member of the Audit, Risk and Compliance Committee. He is an experienced industry participant with more than 35 years' experience involving supermarket management, neighbourhood and regional sized shopping centre management, development and leasing. Alan has held management roles with Woolworths, Westfield Holdings, Knight Frank Agency and other private retail developers.

Since 1990, he has operated his own retail development consultancy practice, focusing on all facets of shopping centre development and retail chain insolvency workouts.

Directors' recommendation

The Directors (other than Mr Alan Rattray-Wood) endorse the ratification by the Unitholders of the re-election of Mr Alan Rattray-Wood as a Director of CHRML.

Item 2 – Approval of issue of Units to Charter Hall Group in connection with the acquisition of a 47.5% interest in Charter Retail Partnership No. 2 Trust (CHRP2), which owns the Bateau Bay Square shopping centre, Bateau Bay, NSW

As announced, the REIT is proposing to purchase a 47.5% interest in CHRP2, which owns Bateau Bay Square. Bateau Bay Square is a sub-regional shopping centre located on the central coast of NSW. The centre is anchored by Woolworths, Coles and Aldi supermarkets and a Kmart discount department store together with eighty specialty shops.

CHRP2 has no property interests other than Bateau Bay Square. The REIT will acquire its 47.5% interest in Bateau Bay Square through purchasing 47.5% of the issued units in CHRP2.

Further details in relation to Bateau Bay Square and CHRP2 are contained in the relevant ASX announcement.

The REIT is proposing to acquire its units in CHRP2 from an existing unrelated unitholder (as to 5%, being all of that unitholder's holding) and from CHC (as to 42.5%). This acquisition is at the same price and terms at which CHRP2 units have recently traded between unrelated parties. Currently, CHRP2 has net equity of approximately \$107 million. This is based on an independent valuation of Bateau Bay Square dated 13 August 2015 of \$200 million, drawn debt of \$87 million and liabilities of \$6 million (including a \$3.5 million allowance for capital works). The final purchase price for the REIT's interest in CHRP2 will be based on the value of CHRP2 net equity as at completion calculated in accordance with the above valuation and allowance.

The purchase price for the unrelated unitholder's 5% holding in CHRP2 will be approximately \$5.3 million and will be funded from the REIT's existing debt facilities.

The purchase price for CHC's units in CHRP2 (**CHC Purchase Price**) will be approximately \$45.3 million and will be funded via the issue of Units to CHC. The issue of Units to CHC will be in satisfaction of the CHC Purchase Price and will not result in the raising of additional funds. The price at which Units will be issued to CHC will be the higher of \$4.02 (being the price at which Units were issued under the Institutional Placement) and the 5 day VWAP, calculated at the close of trade from the day prior to the date of this Notice of Meeting) (**Issue Price**). The Issue Price will be announced to ASX and will be available at www.charterhall.com.au/CQR from the date of this Notice of Meeting. The Units issued to CHC will rank equally in all respects with existing issued fully paid ordinary units of the REIT quoted on ASX.

The CHRML Independent Directors believe that the issue of Units to CHC is in the best interests of Unitholders as it enables the REIT to fund the acquisition of a 47.5% interest in Bateau Bay Square and maintain gearing in the middle of its target band of 30 - 40%. The price at which CHC will acquire the Units has not been discounted as is typical with an equity issuance of this kind.

Explanatory memorandum

However, as CHRML is a wholly owned subsidiary of CHC, the issue of Units to CHC will not proceed unless it is approved by Unitholders for the purposes of Listing Rule 10.11. If the resolution is not approved the REIT will review the proposed acquisition and funding mechanism, with CHC and the REIT each having the right to terminate the transaction following an unsuccessful vote.

This resolution can be withdrawn by the REIT, and the agreement to acquire CHRP2 units can be terminated by either the REIT or CHC, in the event that the 5 day VWAP of Units is, when calculated at the close of trade on any day between the date of this Notice of Meeting and the Meeting, more than 20% higher or lower than the Issue Price.

If resolution 2 is passed:

1. The REIT's acquisition of 47.5% of the units in CHRP2 will proceed;
2. CHC will be issued Units in the REIT at the Issue Price. Such Units will rank equally with existing fully paid ordinary Units;
3. The number of Units to be issued to CHC will be calculated by dividing \$45,300,000 by the Issue Price (rounded up to next whole Unit). Based on a \$4.02 Issue Price (which is the minimum price), the maximum number of Units which may be issued to CHC will be 11,268,657. This would result in CHC's holding in the REIT increasing to 14.4% of the Units on issue; and
4. The acquisition of CHRP2 units by the REIT and the issue of Units to CHC will complete within 1 month of the date of the Meeting.

Directors' recommendation

The Independent Directors unanimously recommend that Unitholders vote in favour of this resolution.

Item 3 – Ratification of institutional placement

On 17 August 2015, the REIT announced a fully underwritten institutional placement to certain institutional, professional and other wholesale investors which raised gross proceeds of approximately \$50 million by way of the issue of 12,437,810 fully paid ordinary Units at \$4.02 per Unit. The Units were issued pursuant to the REIT's 15% capacity under Listing Rule 7.1 (the **Institutional Placement**). The proceeds of the Institutional Placement were used to partially fund the acquisition of the Goulburn Plaza and Katherine Central shopping centres.

Under Listing Rule 7.1, subject to certain exceptions, the number of Units issued in any 12 month period without Unitholder approval may not exceed 15% of the number of Units on issue at the beginning of the 12-month period.

Under Listing Rule 7.4, an issue of Units made without Unitholder approval under Listing Rule 7.1 is treated as having been made with approval for the purposes of that Listing Rule 7.1, if Unitholders subsequently approve the issue.

Resolution 3 seeks the ratification by Unitholders of the issue of the 12,437,810 Units pursuant to the Institutional Placement. The outcome of this resolution 3 will have no effect on the issue of the 12,437,810 Units to certain institutional, professional and other wholesale investors as these have already been issued within the REIT's annual 15% limit prescribed by Listing Rule 7.1. However, if resolution 3 is passed, the REIT will have greater flexibility to raise capital by way of placements to pursue future investment opportunities as the Institutional Placement will be treated as being made with Unitholder approval for the purposes of Listing Rule 7.1.

For the purposes of Listing Rule 7.5, details of the Institutional Placement are as set out below:

- (i) Number of securities issued:
12,437,810 fully paid ordinary Units
- (ii) Price at which securities were issued:
\$4.02 per Unit
- (iii) The terms of the securities:
The Units issued under the Institutional Placement rank equally in all respects with existing issued fully paid ordinary Units of the REIT quoted on ASX, from their issue on 24 August 2015 and subsequent quotation by the ASX.
- (iv) The name of the allottees:
The Units were issued to certain institutional, professional and other wholesale investors who were identified by Macquarie Capital (Australia) Limited, the lead managers, bookrunner and underwriter of the Institutional Placement.
- (v) Use (or intended use) of funds raised:
The funds raised were used by the REIT to partially fund its acquisition of Goulburn Plaza, New South Wales and Katherine Central, Northern Territory.

Directors' recommendation

The Directors unanimously recommend that Unitholders vote in favour of this resolution.

Glossary

AEDT	Australian Eastern Daylight Time
ASX	ASX Limited or the market operated by it, as the context requires
Auditor or PwC	PricewaterhouseCoopers
Bateau Bay Square	the Bateau Bay Square shopping centre, located in Bateau Bay, NSW
Board	Board of Directors of CHRML
CHC / Charter Hall Group	the stapled entity comprising Charter Hall Limited (ACN 113 531 150) and Charter Hall Property Trust (ARSN 113 339 147) their wholly-owned subsidiaries
CHC Purchase Price	has the meaning given to it on page 9 of this Notice of Meeting
CHRML or the Responsible Entity	Charter Hall Retail Management Limited (ACN 069 709 468)
CHRP2	the Charter Hall Retail Partnership No. 2 Trust (an unlisted wholesale fund managed by Charter Hall Funds Management Limited)
Corporations Act	the Corporations Act 2001 (Cth) as amended from time to time
Directors	the Directors of CHRML
Explanatory Memorandum	the explanatory memorandum that accompanies this Notice of Meeting
Independent Directors	John Harkness, Maurice Koop, and Alan Rattray-Wood
Institutional Placement	the issue of Units to institutional investors that occurred on 24 August 2015, as further described on page 10 of this Notice of Meeting
Issue Price	has the meaning given to it on page 9 of this Notice of Meeting
Listing Rules	the Listing Rules of ASX
Meeting	the 2015 annual meeting of Unitholders of the REIT to be held at 10:00am on Tuesday, 17 November 2015
Notice of Meeting	this notice of Meeting and any notice of any adjournment of the Meeting
REIT	Charter Hall Retail REIT (ARSN 093 143 965)
Unit	a unit in the REIT
Unitholder	a registered holder of Units in the REIT
5 day VWAP	five day volume weighted average market price as defined in the ASX Listing Rules

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

Charter Hall Investor Relations

Telephone: 1300 365 585

Corporate head office and registered office

Charter Hall Retail REIT
ARSN 093 143 965

Charter Hall Retail Management Limited
as responsible entity of Charter Hall Retail REIT
ACN 069 709 468

Level 20
No.1 Martin Place
Sydney NSW 2000

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

Auditor

PricewaterhouseCoopers
Darling Park Tower 2
201 Sussex Street
Sydney NSW 2000

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

Directors

Charter Hall Retail Management Limited

John Harkness (Chairman)
Maurice Koop
Alan Rattray-Wood
David Harrison
David Southon

Fund Manager

Scott Dundas

Company Secretary

Mark Bryant

Securities Exchange

Australian Securities Exchange Limited

This page has been intentionally left blank.

This page has been intentionally left blank.

