

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Macquarie Office Trust (MOF)

ACN/ARSN 093 016 838

1. Details of substantial holder (1)

Name Charter Hall Limited (CHL), Charter Hall Holdings Pty Limited (CHHPL) and Charter Hall Funds Management Limited (CHFML)

The holder became a substantial holder on 12/02/2010

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

| Class of securities (4) | Number of securities | Person's votes (5) | Voting power (6) |
|---------------------------------------|----------------------|--------------------|---|
| Fully Paid Ordinary Units (MOF Units) | 659,310,837 | 659,310,837 | 13.87% (based on 4,752,826,494 MOF Units on issue) |

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

| Holder of relevant interest | Nature of relevant interest (7) | Class and number of securities |
|-----------------------------|---|--------------------------------|
| CHFML | Under ss 608(1) and 608(8) of the Corporations Act pursuant to the unit transfer agreement dated 12/02/10 (UTA), a true copy of which is annexed to this notice and marked 'A', comprising: a) 365,436,337 MOF Units; and b) 293,874,500 MOF Units in respect of which CHFML has been granted a right of first refusal. | 659,310,837 MOF Units |
| CHL and CHHPL | As parent companies of CHFML under s608(3)(b) of the Corporations Act. | 659,310,837 MOF Units |

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

| Holder of relevant interest | Registered holder of securities | Person entitled to be registered as holder (8) | Class and number of securities |
|-----------------------------|---|---|--------------------------------|
| CHFML, CHL and CHHPL | Macquarie Bank Limited and its related bodies corporate | Macquarie Bank Limited and its related bodies corporate | 659,310,837 MOF Units |

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

| Holder of relevant interest | Date of acquisition | Consideration (9) | Class and number of securities |
|-----------------------------|---------------------|---|--------------------------------|
| CHFML | 12/02/2010 | 365,436,337 MOF Units at \$0.305 per MOF Unit 293,874,500 MOF Units subject to CHFML exercising, if at all, its right of first refusal | 659,310,837 MOF Units |
| CHL and CHHPL | 12/02/2010 | None. A deemed relevant interest. | 659,310,837 MOF Units |

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:


| Name and ACN/ARSN (if applicable) | Nature of association |
|-----------------------------------|--|
| CHL and CHHPL | Each is a related body corporate of CHFML. |

7. Addresses

The addresses of persons named in this form are as follows:

| Name | Address |
|----------------------|--|
| CHL, CHHPL and CHFML | Level 11, 333 George Street, Sydney NSW 2000 |

Signature

| | | | |
|------------|---|----------|-------------------|
| print name | Nathan Francis | capacity | Company Secretary |
| sign here |  | date | 16/02/2010 |

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

Annexure A

This is Annexure A (Unit Transfer Agreement) of 31 pages referred to in the Form 603 Notice of initial substantial holding

Signed by me and dated 16 February 2010

A handwritten signature in black ink, appearing to read 'N. Francis', is positioned above a horizontal line.

Nathan Francis, Company Secretary

Agreement

Unit Transfer Agreement

Freehills

101 Collins Street Melbourne VIC 3000 Australia
GPO Box 128A Melbourne VIC 3001 Australia
Sydney Melbourne Perth Brisbane Singapore

Telephone +61 3 9288 1234 Facsimile +61 3 9288 1567
www.freehills.com DX 240 Melbourne
Correspondent offices in Hanoi Ho Chi Minh City Jakarta

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Unit Transfer Agreement

Date ► 12 February 2010

| | |
|-------------------------------|---|
| Between the parties | |
| Seller | Macquarie Bank Limited ABN 008 583 542 of Level 7, No. 1 Martin Place, Sydney NSW 2000 (Seller) |
| Buyer | Charter Hall Funds Management Limited ACN 082 991 786 of Level 11, 333 George Street, Sydney NSW 2000 (Buyer) |
| Recitals | <ol style="list-style-type: none">1 The Seller owns the MCW Units, the MOF Units and the MDPF Units.2 The Seller has agreed to sell and the Buyer has agreed to buy the MCW Units, the MOF Units and the MDPF Units on the terms and conditions of this agreement. |
| The parties agree as follows: | |

1 Definitions, interpretation and agreement components

1.1 Definitions

The meanings of the terms used in this agreement are set out below.

| Term | Meaning |
|------------------------------|---|
| Additional MCW Units | 59.7 million units in MCW held by the Seller in its personal capacity or by a Related Body Corporate of the Seller in its personal capacity or for the Seller in its personal capacity, as at the date of this agreement. For the avoidance of doubt, this does not include any units in MCW, the Seller or a Related Body Corporate of the Seller holds as a fiduciary, nominee or custodian on behalf of a third party investor or fund. |
| Additional MOF Units | 293.9 million units in MOF held by the Seller in its personal capacity or by a Related Body Corporate of the Seller in its personal capacity or for the Seller in its personal capacity, as at the date of this agreement. For the avoidance of doubt, this does not include any units in MOF, the Seller or a Related Body Corporate of the Seller holds as a fiduciary, nominee or custodian on behalf of a third party investor or fund. |
| Additional Sale Units | the Additional MCW Units and the Additional MOF Units. |
| ASIC | the Australian Securities and Investments Commission. |
| Associate | has the meaning given in section 12 of the Corporations Act. |
| ASX | ASX Limited ACN 008 624 691 or the Australian Securities Exchange as appropriate. |
| ASX Market Rules | the market rules of ASX. |
| Business Day | a day on which banks are open for business in Sydney, other than a Saturday, Sunday or public holiday in Sydney. |
| Buyer Warranties | the representations and warranties in Schedule 4. |
| Completion | the First Completion or the Second Completion, as applicable. |

| Term | Meaning |
|-------------------------------------|--|
| Charter Hall | the Charter Hall Group which comprises Charter Hall Limited ACN 113 531 150 and Charter Hall Property Trust ARSN 113 339 147 the responsible entity of which is Charter Hall Funds Management Limited ACN 082 991 786. |
| Completion Steps | the steps that each party must carry out which are set out in Schedule 2. |
| Corporations Act | the <i>Corporations Act 2001</i> (Cth). |
| Deal | <ol style="list-style-type: none"> 1 sell, assign, transfer or otherwise dispose of; 2 agree or offer to sell, assign, transfer or otherwise dispose of; 3 enter into any option which, if exercised, enables or requires the Seller to sell, assign, transfer or otherwise dispose of; or 4 create or agree to offer to create or permit to be created any mortgage, charge, pledge, lien or other security interest in. |
| Duty | any stamp, transaction or registration duty or similar charge levied, imposed, assessed or collected under any legislation or by any Government Agency and includes any interest, fine, penalty, charge, fee or other amount imposed in respect of the above. |
| Encumbrance | <p>an interest or power:</p> <ol style="list-style-type: none"> 1 reserved in or over an interest in any asset including any retention of title; or 2 created or otherwise arising in or over any interest in any asset under a bill of sale, mortgage, charge, lien, pledge, trust or power, <p>by way of security for the payment of a debt, any other monetary obligation or the performance of any other obligation, and includes, but is not limited to, any agreement to grant or create any of the above.</p> |
| Equity Raising | the combined accelerated rights issue and placement launched on or about the date of this agreement by Charter Hall and underwritten by Goldman Sachs JBWere Pty Ltd and Macquarie Capital Advisers Limited and the placement to Macquarie Group Limited conducted on or about the date of this agreement to provide funds for, amongst other things, the acquisition of Macquarie Countrywide Management Limited, Macquarie Office Management Limited, Macquarie Direct Property Limited and Macquarie Asset Services Limited under the Share Sale Agreement and the acquisition of some of the Sale Units. |
| First Completion | completion of the sale and purchase of the First Tranche Sale Units under clause 4. |
| First Completion Date | the Transaction Completion Date as defined in the Share Sale Agreement. |
| First Tranche Purchase Price | the amount equal to the proceeds received by Charter Hall for all of the Stapled Securities which commence trading on ASX on the Transaction Completion Date less the total consideration paid by Charter Hall Holdings Pty Ltd on the Transaction Completion Date under the Share Sale Agreement (which excludes |

| Term | Meaning |
|------------------------------------|---|
| | contingent and deferred consideration). |
| First Tranche Sale Units | the number of Sale Units equal to: <ol style="list-style-type: none"> <li data-bbox="496 456 1310 539">1 the number of MCW Units able to be purchased at the MCW Unit Price with 38.4% of the First Tranche Purchase Price rounded down to the nearest whole number; and <li data-bbox="496 546 1310 629">2 the number of MOF Units able to be purchased at the MOF Unit Price with 61.6% of the First Tranche Purchase Price rounded down to the nearest whole number. |
| Government Agency | any government or governmental, administrative, monetary, fiscal or judicial body, department, commission, authority, tribunal, agency or entity in any part of the world. It also includes a self-regulatory organisation established under statute or a stock exchange. |
| GST | goods and services tax or similar value added tax levied or imposed in Australia under the GST Law or otherwise on a supply. |
| GST Act | the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth). |
| GST Group | has the same meaning as that term is defined in the GST Act. |
| GST Law | has the same meaning as in the GST Act. |
| Immediately Available Funds | cash, bank cheque or telegraphic or other electronic means of transfer of cleared funds into a bank account nominated in advance by the payee. |
| Loss | losses, liabilities, damages, costs, charges and expenses and includes Taxes and Duties. |
| MBL Loan | the five year, \$50 million loan offered by the Seller to the Buyer on terms mutually agreeable to the Seller and the Buyer to fund the acquisition of some of the Sale Units. |
| MCW | Macquarie Countrywide Trust ARSN 093 143 965. |
| MCW Purchase Price | \$69,334,750.52 |
| MCW Units | 111, 650,162 ordinary units in MCW. |
| MCW Unit Price | 62.1 cents |

| Term | Meaning |
|--------------------------------------|--|
| MDPF | Macquarie Direct Property Fund ARSN 116 064 343. |
| MDPF NTA | 62.31 cents. |
| MDPF Purchase Price | \$8,454,100.17 |
| MDPF Units | 15,506,064 stapled units in MDPF. |
| MOF | Macquarie Office Trust ARSN 093 016 838. |
| MOF Purchase Price | \$111,458,082.80 |
| MOF Units | 365,436,337 ordinary units in the capital of MOF. |
| MOF Unit Price | 30.5 cents |
| Placement Agreement | the placement agreement between Charter Hall Limited, Charter Hall Funds Management Limited in its capacity as responsible entity for the Charter Hall Property Trust and Macquarie Capital Group Limited dated on about the date of this agreement. |
| Purchase Price | \$189,246,933.50 |
| Related Body Corporate | has the meaning given in section 9 of the Corporations Act. |
| Sale | the sale and purchase of the Sale Units in accordance with clause 3. |
| Sale Units | the MCW Units, the MOF Units and the MDPF Units. |
| Second Completion | completion of the sale and purchase of the Second Tranche Sale Units under clause 4. |
| Second Completion Date | the date on which Charter Hall issues stapled securities to complete the retail component of the rights issue part of the Equity Raising. |
| Second Tranche Purchase Price | the Purchase Price less the First Tranche Purchase Price. |
| Second Tranche Sale Units | the Sale Units equal to: 1 the MCW Units less the number of MCW Units sold to the Buyer on the First |

| Term | Meaning |
|------------------------------------|--|
| | <p>Completion Date; plus</p> <p>2 the MOF Units less the number of MOF Units sold to the Buyer on the First Completion Date; plus</p> <p>3 the MDPF Units.</p> |
| Share Sale Agreement | the share sale agreement between Macquarie Capital International Holdings Pty Limited and Charter Hall Holdings Pty Limited, relating to the sale of shares in Macquarie Countrywide Management Limited, Macquarie Office Management and Macquarie Direct Property Management Limited and other matters, dated on or about the date of this agreement. |
| Tax | any tax, levy, charge, impost, fee, deduction, goods and services tax, compulsory loan or withholding, that is assessed, levied, imposed or collected by any Government Agency and includes any interest, fine, penalty, charge, fee or any other amount imposed on, or in respect of any of the above but excludes Duty. |
| Tax Invoice | includes any document or record treated by the Commissioner of Taxation as a tax invoice or as a document entitling a recipient to an input tax credit. |
| Transaction Completion Date | has the meaning given in the Share Sale Agreement. |
| Transitional Services Deeds | the deeds of that name under which Charter Hall Funds Management Limited agrees to provide services to each of Macquarie CountryWide Management Limited, Macquarie Office Management Limited and Macquarie Direct Property Management Limited. |
| Warranties | the representations and warranties in Schedule 3. |

1.2 Interpretation

In this agreement:

- (a) Headings and bold type are for convenience only and do not affect the interpretation of this agreement.
- (b) The singular includes the plural and the plural includes the singular.
- (c) Words of any gender include all genders.
- (d) Other parts of speech and grammatical forms of a word or phrase defined in this agreement have a corresponding meaning.
- (e) An expression importing a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency as well as an individual.

- (f) A reference to an agreement or document is to the agreement or document as amended, supplemented, novated or replaced, except to the extent prohibited by the agreement or that other agreement or document.
- (g) A reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to, this agreement.
- (h) A reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them.
- (i) If a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day.
- (j) A reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later.
- (k) If an act prescribed under this agreement to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day.
- (l) A reference to time is a reference to Sydney time.
- (m) A reference to any thing (including, any amount) is a reference to the whole and each part of it and a reference to a group of persons is a reference to any one or more of them.
- (n) A document in the 'agreed form' means a document in the form approved by the Buyer and the Seller and initialled by a representative of each of them for the purposes of identification.
- (o) A reference to \$ is to Australian currency unless denominated otherwise.

1.3 Inclusive expressions

Specifying anything in this agreement after the words 'including', 'includes' or 'for example' or similar expressions does not limit what else is included unless there is express wording to the contrary.

1.4 Agreement components

This agreement includes any schedule.

1.5 Nominee

- (a) The Buyer may, upon written notice to the Seller at least 3 Business Days before the First Completion Date, nominate a Related Body Corporate or trustee of any trust for which the Buyer or a Related Body Corporate is trustee (including any custodian appointed in respect of that trust) (the **Nominee**) to buy the Sale Units in accordance with this agreement in place of the Buyer. The notice must state the identity of the Nominee and contain an acknowledgment from the Nominee in favour of the Seller of the Nominee's acceptance of the obligations and liabilities of the Buyer under this agreement.
- (b) From the date of receipt by the Seller of the notice under clause 1.5(a) (the **Notification Date**):
 - (1) all references to 'the Buyer' will be deemed to be references to the Nominee;
and

- (2) the Buyer shall procure that the Nominee complies with all terms and conditions binding upon, and all obligations and liabilities of, the Buyer under this agreement.
- (c) Despite clause 1.5(b) the original Buyer will continue to be bound by all of the obligations and liabilities of the Buyer under this agreement and will not be released from any obligations or liabilities under this agreement following the Notification Date. However, the Seller agrees that the original Buyer will not be in breach of this agreement for failing to discharge an obligation of the Buyer under this agreement if the Nominee fully discharges that obligation.
- (d) The original Buyer must not, and must procure that the Nominee does not, make a Claim that could result in the Seller's liability being greater than it would have been if the original Buyer had not exercised its nomination rights under clause 1.5(a).
- (e) The original Buyer jointly and severally indemnifies the Seller against, and must pay the Seller an amount equal to, any Loss suffered or incurred by the Seller or a Related Body Corporate of the Seller in connection with the original Buyer exercising its nomination rights under clause 1.5(a). For the purposes of this indemnity, 'Loss' consists of an amount that is necessary to put the Seller or a Related Body Corporate of the Seller, as applicable, in the same position as if the Buyer had not exercised its nomination rights under clause 1.5(a).

2 Condition precedent

This deed and the obligations of each party under this deed are conditional upon the valid execution of the Transitional Services Deeds and the Share Sale Agreement, and in the case of the Share Sale Agreement, the simultaneous fulfilment on the Transaction Completion Date by each of Charter Hall Holdings Pty Limited and Macquarie Capital International Holdings Limited of all of their obligations under the Share Sale Agreement which are required to be done on the Transaction Completion Date.

3 Sale and purchase

3.1 Sale Units

- (a) On the First Completion Date, the Seller must sell, and procure that its Related Bodies Corporate that hold First Tranche Sale Units sell, and the Buyer must buy, the First Tranche Sale Units for the First Tranche Purchase Price free and clear of all Encumbrances.
- (b) Subject to Charter Hall Limited and Charter Hall Funds Management Limited in its capacity as responsible entity of the Charter Hall Property Trust receiving the net proceeds from the retail component of the rights issue part of the Equity Raising, on the Second Completion Date, the Seller must sell, and procure that its Related Bodies Corporate that hold Second Tranche Sale Units sell, and the Buyer must buy, the Second Tranche Sale Units for the Second Tranche Purchase Price free and clear of all Encumbrances.

3.2 Associated Rights

The Seller must sell, and procure that its Related Bodies Corporate that hold Sale Units sell, the Sale Units to the Buyer together with:

- (a) all rights attached to the Sale Units as at the date of this agreement, excluding the right to be paid any distribution, the record date for which has occurred before the date of the agreement; and
- (b) all rights which accrue between the date of this agreement and the First Completion for the First Tranche Sale Units and the Second Completion for the Second Tranche Sale Units.

3.3 Consideration

The consideration for the sale of the Sale Units is the payment by the Buyer of the Purchase Price.

3.4 Title and risk

- (a) Title to and risk in the First Tranche Sale Units passes to the Buyer on the First Completion Date.
- (b) Title to and risk in the Second Tranche Sale Units passes to the Buyer on the Second Completion Date.
- (c) For the avoidance of doubt, nothing in this clause 3.4 amends the Purchase Price for the Sale Units under this agreement.

4 Completion

4.1 Time and Place

- (a) First Completion must take place at Level 38, MLC Centre, 19 Martin Place, Sydney NSW 2000 at 12:00pm on the First Completion Date.
- (b) Second Completion must take place at Level 38, MLC Centre, 19 Martin Place, Sydney NSW 2000 at 12:00pm on the Second Completion Date.

4.2 Completion Steps

- (a) On or before the First Completion Date, each party must carry out the Completion Steps referable to it in accordance with clause 1 of Schedule 2.
- (b) On or before the Second Completion Date, each party must carry out the Completion Steps referable to it in accordance with clause 2 of Schedule 2.
- (c) First Completion is taken to have occurred when each party has performed all its obligations under clause 1 of Schedule 2.

- (d) Second Completion is taken to have occurred when each party has performed all its obligations under clause 2 of Schedule 2.

4.3 Post Completion

- (a) Immediately following First Completion each party must comply with its obligations under clause 3 of Schedule 2 in relation to the First Tranche Sale Units.
- (b) Immediately following Second Completion each party must comply with its obligations under clause 3 of Schedule 2 in relation to the Second Tranche Sale Units.

4.4 Completion simultaneous

The actions to take place as contemplated by this clause 4 and Schedule 2 on the First Completion Date and the Second Completion Date as applicable are interdependent and must take place, as nearly as possible, simultaneously. If one action does not take place, then without prejudice to any rights available to any party as a consequence:

- (a) there is no obligation on any party to undertake or perform any of the other actions; and
- (b) to the extent that such actions have already been undertaken, the parties must do everything reasonably required to reverse those actions; and
- (c) the Seller and the Buyer must each return to the other all documents delivered to it under clause 4.2(a) and Schedule 2 and must each repay to the other all payments received by it under clause 4.2(a) and Schedule 2, without prejudice to any other rights any party may have in respect of that failure.

5 Seller warranties

5.1 Warranties by the Seller

- (a) The Seller gives the Warranties in favour of the Buyer on the date of this agreement and on each day between the date of this agreement and the First Completion Date in relation to the First Tranche Sale Units and the Second Completion Date in relation to the Second Tranche Sale Units and the date of each sale made under clause 8 in relation to the Additional Sale Units sold on that date.
- (b) In relation to Additional Sale Units sold under clause 8, the Seller gives the Warranties in favour of the Buyer on the date of each sale made under clause 8 as if in the Warranties in clause 1.1(a) of Schedule 3, all references to the First Completion were read as the date of the relevant sale and all references to the First Tranche Sale Units were read as the Additional Sale Units subject to the sale under clause 8.

5.2 Independent Warranties

Each of the Warranties is to be construed independently of the others and is not limited by reference to any other Warranty.

5.3 Reliance

The Seller acknowledges that the Buyer has entered into this agreement and will complete this agreement in reliance on the Warranties.

5.4 No reliance

The Buyer acknowledges, and represents and warrants to the Seller, that:

- (a) at no time has:
 - (1) the Seller, its Related Bodies Corporate or any person on their behalf, made or given; or
 - (2) the Buyer relied on,
any representation, warranty, promise or undertaking except those expressly set out in this agreement (including in the Warranties);
- (b) no representations, warranties, promises, undertakings, statements or conduct:
 - (1) have induced or influenced the Buyer to enter into, or agree to any terms or conditions of, this agreement;
 - (2) have been relied on in any way as being accurate by the Buyer;
 - (3) have been warranted to the Buyer as being true; or
 - (4) have been taken into account by the Buyer as being important to its decision to enter into, or agree to any or all of the terms of, this agreement,
except those expressly set out in this agreement (including in the Warranties);
- (c) it has entered into this agreement after an inspection and investigation of the affairs of each of MCW, MOF and MDPF;
- (d) it has made, and will rely upon, its own searches, investigations, enquiries and evaluations in respect of each of MCW, MOF and MDPF, except to the extent expressly set out in this agreement (including in the Warranties);
- (e) it is experienced and has sophisticated capability in the business conducted by each of MCW, MOF and MDPF, including, without limitation, the ability to evaluate that business and the terms of this agreement.

5.5 Maximum claim

The maximum aggregate amount that the Seller is required to pay in respect of:

- (a) Claims relating to the MCW Units are limited to the MCW Purchase Price;
- (b) Claims relating to the MOF Units are limited to the MOF Purchase Price; and
- (c) Claims relating to the MDPF Units are limited to the MDPF Purchase Price.

6 Buyer Warranties

6.1 Buyer Warranties

The Buyer gives the Buyer Warranties in favour of the Seller on the date of this agreement and the Buyer Warranties will be deemed to be repeated immediately before Completion.

6.2 Independent Warranties

Each of the Buyer Warranties is to be construed independently of the others and is not limited by reference to any other Buyer Warranty.

6.3 Reliance

The Buyer acknowledges that the Seller has entered into this agreement and will complete this agreement in reliance on the Buyer Warranties.

7 Additional MCW Units and Additional MOF Units

(a) The Seller must not sell the Additional Sale Units other than to the Buyer or a Related Body Corporate of the Buyer for the period of 12 months after the date of this agreement.

(b) If, within the period of 12 months after the date of this agreement:

(1) the Charter Hall Core Plus Retail Fund completes the sale of at least half by value (as at the date of this agreement) of its assets; or

(2) Charter Hall ceases to hold at least 50% of the units it holds in the Charter Hall Core Plus Retail Fund (as at the date of this agreement),

the Seller and the Buyer will discuss in good faith a decrease in the number of Additional Sale Units that will be subject to the restriction in clause 7(a).

8 Right of first refusal

8.1 Grant of right of first refusal

In the event that the Seller, or any Related Body Corporate of the Seller, proposes to sell (where permitted to do so in accordance with the terms of this agreement) all or part of the Additional Sale Units to any person or entity other than the Buyer or a Related Body Corporate of the Buyer, the Buyer will have a right to purchase all or part of the Additional Sale Units in accordance with this clause 8.

8.2 Notice of proposed sale

Prior to any proposed sale of Additional Sale Units, the Seller must deliver to the Buyer written notice describing the proposed sale, including the number of Additional Sale Units, the proposed sale price (**Sale Price**) and any other information necessary to show the bona fide nature of the proposed sale (**Sale Notice**).

8.3 Exercise of right of first refusal

- (a) The Buyer will have the right to purchase all or part of the Additional Sale Units the subject of the Sale Notice at the Sale Price and on the terms contained in the Sale Notice by delivery to the Seller of a notice of exercise, which notice confirms that the Buyer will buy those Additional Sale Units at the Sale Price on the terms contained in the Sale Notice (**Exercise Notice**) within 7 days after the date of the Sale Notice.
- (b) If the Buyer delivers a valid Exercise Notice to the Seller in accordance with clause 8.3(a), the Seller and the Buyer must complete the sale of the Additional Sale Units to the Buyer within 21 days after the date of the Sale Notice.
- (c) Completion of the sale of the Additional Sale Units will be undertaken in a manner equivalent to the completion of the sale of the Sale Units.

8.4 Failure to exercise right of first refusal

- (a) If the Buyer fails to deliver a valid Exercise Notice in accordance with clause 8.3(a), the Seller may complete a sale of the Additional Sale Units to any third party on terms and conditions no more favourable than the terms offered to the Buyer, provided such sale occurs not later than 21 days after the expiry of the 7 day period described in clause 8.3(a).
- (b) Any proposed sale of the Additional Sale Units on terms and conditions more favourable than those offered to the Buyer, will be subject to the Buyer's right of first refusal and will require the Seller to comply with this clause 8.
- (c) If the Seller fails to sell the Additional Sale Units under clause 8.4(a), any proposed future sale of the Additional Sale Units will be subject to the Buyer's right of first refusal and will require the Seller to comply with this clause 8.

8.5 Restrictions

- (a) Except as otherwise provided in this agreement, from the date of this agreement the Seller undertakes not to:
 - (1) Deal with;
 - (2) Deal in any interest or right in respect of; nor
 - (3) do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of,any Additional Sale Units. For the avoidance of doubt, this clause does not prevent the Seller selling any Additional Sale Units in accordance with clause 8.1.
- (b) In respect of Additional Sale Units, the Seller is permitted to accept:

- (1) any takeover offer under Chapter 6 of the Corporations Act if:
 - (A) the offer has been freed of all defeating conditions other than any defeating condition that is a 'prescribed occurrence' and the offeror has already obtained 50% of the voting power in either MCW or MOF; or
 - (B) the offer is recommended by the responsible entity of MCW in respect of MCW or by the responsible entity of MOF in respect of MOF; or
 - (2) an offer under a trust scheme materially in the form described in Takeovers Panel Guidance Note 15: Listed Trust and Managed Investment Scheme Mergers.
- (c) For the period commencing on the date of this agreement and ending 1 year after the date of this agreement, the Seller undertakes to use its voting rights in respect of all Additional Sale Units which it continues to own to vote against any resolution:
- (1) of the unitholders of MCW to remove Macquarie Countrywide Management Limited as the responsible entity of MCW; and
 - (2) of the unitholders of MOF to remove Macquarie Office Management Limited as the responsible entity of MOF.

8.6 Inside information

The Buyer undertakes that from the date of this agreement to the date the Seller sells the last of the Additional Sale Units that the Buyer will not provide to the Seller (or any Related Body Corporate of the Seller) any Inside Information (as that term is defined in section 1042A of the Corporations Act) in relation to the Additional Sale Units without the prior consent of the Seller.

9 Takeovers and trust schemes

9.1 Payment to Buyer

If, within 1 year following the Transaction Completion Date, the Seller sells any Additional Sale Units:

- (1) by accepting a takeover offer under Chapter 6 of the Corporations Act (**Takeover Offer**) or pursuant to compulsory acquisition following such a takeover; or
- (2) pursuant to an offer under a trust scheme materially in the form described in Takeovers Panel Guidance Note 15: Listed Trust and Managed Investment Scheme Mergers (**Trust Scheme**);
- (3) to any person or entity (or an Associate of that person or entity) that has announced or subsequently announces a Takeover Offer or an acquisition by way of a Trust Scheme; or
- (4) on-market or off-market following the announcement of a Takeover Offer or a Trust Scheme,

the Seller must pay to the Buyer an amount equal to:

$$\frac{1}{3} \times (P - L)$$

where:

Premium on MOF Units and MCW Units

$$P = C - B$$

Consideration

C is the consideration received by the Buyer for the sale of the Additional Sale Units.

If the consideration received by the Buyer for the sale of the Additional Sale Units consists wholly or partially of scrip that is listed on the ASX, the scrip component of the consideration shall be calculated as follows:

The number of Additional Sale Units that are sold multiplied by Consideration VWAP

where:

Consideration VWAP means the average of the daily volume weighted average sale prices (rounded to the nearest full cent) of the Consideration Scrip sold on ASX during the VWAP Period but does not include any 'crossing' transacted outside the 'Open Session State' or any 'special crossing' transacted at any time, each as defined in the ASX Market Rules or any overseas trades or trades pursuant to the exercise of options over the Consideration Scrip.

Consideration Scrip means the scrip received as consideration for each Additional Sale Unit.

VWAP Period means the period of 10 Business Days on which trading in Consideration Scrip took place immediately preceding the Consideration Date.

Consideration Date means the date on which the consideration is received by the Buyer for the sale of the Additional Sale Units.

Base line price

B is

- \$0.305 multiplied by the number of MOF Units that are sold by accepting the takeover offer or pursuant to the offer under the trust scheme; plus
- \$0.621 multiplied by the number of MCW Units that are sold by accepting the takeover offer or pursuant to the offer under the trust scheme.

If the MOF Units or the MCW Units have been consolidated or reclassified into a lesser or greater number of units prior to the Consideration Date, B shall be calculated on a post consolidation or reclassification basis with the number of units and the price per unit to be adjusted accordingly.

If the value of P is less than zero then no amount will be payable to the Buyer under this clause 9.

Loss on Charter Hall stock

$$L = SP - CHP$$

Subscription price

SP = the number of Placement Securities (as that term is defined in the Placement Agreement) that the Seller Group continues to hold as at the Consideration Date multiplied by 70 cents.

Charter Hall price

CHP = the number of Placement Securities (as that term is defined in the Placement Agreement) that the Seller Group continues to hold as at the Consideration Date multiplied by the CH VWAP.

CH VWAP shall be a maximum of 70 cents and means the average of the daily volume weighted average sale prices (rounded to the nearest full cent) of the Securities (as that term is defined in the Placement Agreement) sold on ASX during the VWAP Period but does not include any 'crossing' transacted outside the 'Open Session State' or any 'special crossing' transacted at any time, each as defined in the ASX Market Rules or any overseas trades or trades pursuant to the exercise of options over the Securities.

If the Placement Securities have been consolidated or reclassified into a lesser or greater number of securities prior to the Consideration Date, SP shall be calculated on a post consolidation or reclassification basis with the number of securities and the price per security to be adjusted accordingly.

If the value of L is less than zero then L will be deemed to be zero.

9.2 Second sale of Additional Sale Units

If, within 1 year following the Transaction Completion Date, the Seller sells Additional Sale Units in the circumstances described in clause 9.1 on a second occasion, then:

- (a) the amount payable to the Buyer will be calculated on each such occasion; and
- (b) for the purposes of calculating such amount on the second occasion, the 'Loss on Charter Hall stock' on the second occasion shall be equal to $L2 - L1$, where:
 - (1) $L1$ is the value of L calculated as at the first occasion;
 - (2) $L2$ is the value of L calculated as at the second occasion;
 - (3) if the value of $L1$ is negative then it is deemed to be zero; and
 - (4) if the value of $(L2 - L1)$ is negative then it is deemed to be zero.

10 Duties, costs and expenses

10.1 Duties

The Buyer must pay all Duty in respect of the execution, delivery and performance of this agreement and any agreement or document entered into or signed under this agreement.

10.2 Costs and expenses

- (a) Unless otherwise provided for in this agreement, each party must pay its own costs and expenses in respect of the negotiation, preparation, execution, delivery and registration of this agreement and any other agreement or document entered into or signed under this agreement.
- (b) Any action to be taken by the Buyer or the Seller in performing its obligations under this agreement must be taken at its own cost and expense unless otherwise provided in this agreement.

11 GST

11.1 Definitions

Words used in this clause 11 that have a defined meaning in the GST Law have the same meaning as in the GST Law unless the context indicates otherwise.

11.2 GST

- (a) Unless expressly included, the consideration for any supply under or in connection with this agreement does not include GST.
- (b) To the extent that any supply made under or in connection with this agreement is a taxable supply (other than any supply made under another agreement that contains a specific provision dealing with GST), the recipient must pay, in addition to the consideration provided under this agreement for that supply (unless it expressly includes GST) an amount (additional amount) equal to the amount of that consideration (or its GST exclusive market value) multiplied by the rate at which GST is imposed in respect of the supply. The recipient must pay the additional amount at the same time as the consideration to which it is referable.
- (c) Whenever an adjustment event occurs in relation to any taxable supply to which clause 11.2(b) applies:
 - (1) the supplier must determine the amount of the GST component of the consideration payable; and
 - (2) if the GST component of that consideration differs from the amount previously paid, the amount of the difference must be paid by, refunded to or credited to the recipient, as applicable.

11.3 Tax invoices

The supplier must issue a Tax Invoice to the recipient of a supply to which clause 11.2 applies no later than 7 days following payment of the GST inclusive consideration for that supply under that clause.

11.4 Reimbursements

If either party is entitled under this agreement to be reimbursed or indemnified by the other party for a cost or expense incurred in connection with this agreement, the reimbursement or indemnity payment must not include an amount equal to any input tax credit to which the party being reimbursed or indemnified, or its representative member, is entitled.

12 General

12.1 Notices

- (a) Any notice or other communication (including any request, demand, consent or approval) to or by a party to this agreement must be in legible writing and in English addressed as shown in Schedule 1 (or as specified to the sender by any party by notice).

If the sender is a company, the notice or communication must be signed by an officer or under the common seal of the sender.

- (b) A notice or communication given in accordance with clause 12.1(a) can be relied on by the addressee and the addressee is not liable to any other person for any consequences of that reliance if the addressee believes it to be genuine, correct and authorised by the sender.

- (c) Any notice or other communication to or by a party to this agreement is regarded as being given by the sender and received by the addressee:

- (1) if by delivery in person, when delivered to the addressee;
- (2) if by post, 3 Business Days from and including the date of postage;
- (3) if by facsimile transmission, when a facsimile confirmation receipt is received indicating successful delivery; or
- (4) if sent by email, when a delivery confirmation report is received by the sender which records the time that the email was delivered to the addressee's email address (unless the sender receives a delivery failure notification indicating that the email has not been delivered to the addressee),

but if the delivery or receipt is on a day that is not a Business Day or is after 5.00pm (addressee's time) it is regarded as received at 9.00am on the following Business Day.

- (d) A facsimile transmission is regarded as legible unless the addressee telephones the sender within 2 hours after the transmission is received or regarded as received under clause 12.1(c) and informs the sender that it is not legible.
- (e) In this clause 12.1, reference to an addressee includes a reference to an addressee's officers, agents or employees.

12.2 Governing law and jurisdiction

- (a) This agreement is governed by the laws of New South Wales.
- (b) Each party irrevocably submits to the exclusive jurisdiction of the courts of New South Wales.

12.3 Further assurances

Subject to clause 7, each party must do all things and execute all further documents necessary to give full effect to this agreement.

12.4 Approvals and consent

If the doing of any act, matter or thing under this agreement is dependent on the approval or consent of a party, that party may give conditionally or unconditionally or withhold its approval or consent in its absolute discretion, unless this agreement expressly provides otherwise.

12.5 Waivers and variation

- (a) A provision of, or a right, discretion or authority created under, this agreement may not be:
- (1) waived except in writing signed by the party granting the waiver; and
 - (2) varied except in writing signed by the parties.
- (b) A failure or delay in exercise, or partial exercise, of a power, right, authority, discretion or remedy arising from a breach of, or default under this agreement does not result in a waiver of that right, power, authority, discretion or remedy.

12.6 Assignment

A party may not assign its rights or obligations under this agreement without the consent of the other party.

12.7 Counterparts

This agreement may be executed in any number of counterparts which together will constitute one instrument. A party may execute this agreement by signing any counterpart.

12.8 Severability

Any provision in this agreement that is invalid or unenforceable in any jurisdiction is to be read down for the purpose of that jurisdiction, if possible, so as to be valid and enforceable, and otherwise shall be severed to the extent of the invalidity or unenforceability, without affecting the remaining provisions of this agreement or affecting the validity or enforceability of that provision in any other jurisdiction.

12.9 Entire Agreement

This agreement embodies the entire agreement between the parties and supersedes any prior negotiation, conduct, arrangement, understanding or agreement, express or implied, with respect to the subject matter of this agreement.

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Notice details

| | |
|---------------|--|
| Seller | Macquarie Bank Limited |
| Address | Level 7, No. 1 Martin Place, Sydney NSW 2000 |
| Attention | Company Secretary |
| Phone | |
| Fax | +61 2 8238 4330 |
| Email | |

| | |
|--------------|--|
| Buyer | Charter Hall Funds Management Limited |
| Address | Level 11, 333 George Street, Sydney NSW 2000 |
| Attention | Company Secretary |
| Phone | +61 2 8908 4073 |
| Fax | +61 2 8908 4070 |
| Email | nathanf@charterhall.com.au |

Completion Steps

1 First Completion

1.1 Seller's obligations at Completion

At First Completion, the Seller must instruct Link Market Services Limited to effect a special crossing of the First Tranche Sale Units to the Buyer.

1.2 Buyer's obligations at First Completion

At First Completion the Buyer must pay the First Tranche Purchase Price to the Seller in Immediately Available Funds without counterclaim or set-off.

2 Second Completion

At Second Completion, the Seller must:

- (a) instruct Link Market Services Limited to effect a special crossing of the MCW Units and MOF Units that are components of the Second Tranche Sale Units to the Buyer; and
- (b) instruct Computershare Fund Services Pty Limited to effect a transfer of the MDPF Units that are components of the Second Tranche Sale Units to the Buyer.

2.2 Buyer's obligations at Second Completion

At Second Completion the Buyer must pay the Second Tranche Purchase Price to the Seller in Immediately Available Funds without counterclaim or set-off.

3 Post Completion actions

3.1 Period after First Completion

From First Completion until the First Tranche Sale Units are registered in the name of the Buyer, the Seller must:

- (a) appoint, and procure that any of its Related Bodies Corporate who hold First Tranche Sale Units appoint, the Buyer as the sole proxy in relation to the First Tranche Sale Units to attend unitholder meetings and exercise the votes attaching to the First Tranche Sale Units;
- (b) not, and must procure that any of its Related Bodies Corporate who hold First Tranche Sale Units do not, vote at any meetings of unitholders; and
- (c) take, and must procure that any of its Related Bodies Corporate who hold First Tranche Sale Units take, all other actions in the capacity of a registered holder of the First Tranche Sale Units as the Buyer reasonably directs.

3.2 Period after Second Completion

From Second Completion until the Second Tranche Sale Units are registered in the name of the Buyer, the Seller must:

- (a) appoint, and procure that any of its Related Bodies Corporate who hold First Tranche Sale Units appoint, the Buyer as the sole proxy in relation to the Second Tranche Sale Units to attend unitholder meetings and exercise the votes attaching to the Second Tranche Sale Units;
- (b) not, and must procure that any of its Related Bodies Corporate who hold First Tranche Sale Units do not, vote at any meetings of unitholders; and
- (c) take, and must procure that any of its Related Bodies Corporate who hold First Tranche Sale Units take, all other actions in the capacity of a registered holder of the Second Tranche Sale Units as the Buyer reasonably directs.

Warranties

1 Ownership

1.1 Ownership

(a) At First Completion:

- (1) the Seller or Related Bodies Corporate of the Seller are the legal and beneficial owner of the First Tranche Sale Units; and
- (2) the Buyer will acquire the full legal and beneficial ownership of the First Tranche Sale Units free and clear of all Encumbrances, subject to registration of the Buyer in the register of unitholders.

(b) At Second Completion:

- (1) the Seller or Related Bodies Corporate of the Seller are the legal and beneficial owner of the Second Tranche Sale Units; and
- (2) the Buyer will acquire the full legal and beneficial ownership of the Second Tranche Sale Units free and clear of all Encumbrances, subject to registration of the Buyer in the register of unitholders.

2 Power and Authority

2.1 No legal impediment

The execution, delivery and performance by the Seller of this agreement:

- (a) complies with its constitution; and
- (b) does not constitute a breach of any law, or cause or result in a default under any Encumbrance, by which it is bound and which would prevent it from entering into and performing its obligations under this agreement.

2.2 Corporate Authorisations

All necessary authorisations for the execution, delivery and performance by the Seller of this agreement in accordance with its terms have been obtained or will be obtained before the relevant Completion.

2.3 Power and capacity

The Seller has full power and capacity to enter into and perform its obligations under this agreement.

2.4 Incorporation

The Seller is validly incorporated, organised and subsisting in accordance with the laws of its place of incorporation.

Buyer Warranties

1 No legal impediment

The execution, delivery and performance by the Buyer of this agreement:

- (a) complies with its constitution; and
- (b) does not constitute a breach of any law, or cause or result in default under any Encumbrance, by which it is bound and which would prevent it from entering into and performing its obligations under this agreement.

2 Corporate authorisations

All necessary action to authorise the execution, delivery and performance of this agreement by the Buyer in accordance with its terms have been obtained or will be obtained before the relevant Completion.

3 Power and capacity

The Buyer has full power and capacity to enter into and perform its obligations under this agreement.

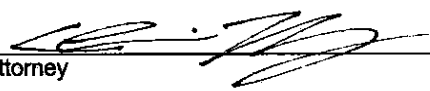
4 Incorporation

The Buyer is validly incorporated, organised and subsisting in accordance with the laws of its place of incorporation.

Executed as an agreement

Seller

Signed for
Macquarie Bank Limited
by its attorneys

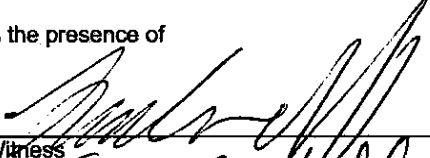
sign here ▶ 
Attorney

print name CHRISTOPHER KEY

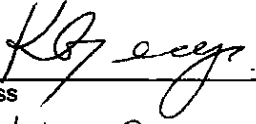

Attorney

print name Chris Green

in the presence of

sign here ▶ 
Witness


print name Tim Cardiff


Witness

print name Kit Georgeas

Buyer

Signed for
Charter Hall Funds Management Limited
in accordance with section 127 of the *Corporations Act 2001* by

sign here ▶ 
Director

print name DAVID JOHN SOUTHON

sign here ▶ 
Company Secretary/Director

print name NATHAN CAIN FRANCIS