



DISTRIBUTION REINVESTMENT PLAN

**AUSTRALIAN UNITY
INVESTMENT REAL ESTATE
LIMITED**

BACKGROUND

- A This document sets out the rules applicable to the Australian Unity Office Fund distribution reinvestment plan (**Plan**). The Plan allows eligible Members to reinvest their Distributions by automatically applying them to the issue of new Units or to fund the acquisition of existing Units purchased on behalf of Participants, at the Responsible Entity's discretion.
- B This document is not investment advice and does not take into account the investment objectives, financial situation and particular needs of an investor. This document is not an offer of financial products.
- C Cash Distributions used to acquire Units under the Plan are subject to the same tax treatment as cash Distributions paid to Members. Participants in the Plan will receive details on the taxable components of Distributions in their annual tax statement. The amount of cash Distributions applied to acquire new Units under the Plan is net of any applicable Australian withholding taxes. Please contact your taxation adviser if you have any questions concerning the taxation consequences of participating in the Plan.

DISTRIBUTION REINVESTMENT PLAN RULES

1. Definitions

AEDT means Australian Eastern Daylight Savings Time.

AEST means Australian Eastern Standard Time.

Application Form means the application form available from the Registrar.

ASX means ASX Limited or the exchange operated by ASX Limited, being the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the Listing Rules of ASX Limited.

Board means the Board of the Responsible Entity, acting unanimously.

Business Day means a day which is a 'business day' (as that term is defined in the ASX Listing Rules) on which buying and selling occurs through the Stock Exchange Automated Trading System (SEATS).

Distribution means any cash distribution of income and/or capital by the Scheme.

Issue Price means the price of a Unit allocated to Participants under this Plan calculated as the arithmetic average of the VWAP for each of the number of consecutive Business Days advised to the ASX by the Responsible Entity prior to the Record Date (but which may not be more than 20 Business Days, and which may be extended if there is a trading halt during that period by the length of the trading halt) commencing on the third Business Day following the Record Date (or such later date determined by the Responsible Entity in its absolute discretion), with such average price being:

- (a) reduced by a discount amount determined by the Board from time to time in its absolute discretion; and
- (b) rounded to four decimal places.

Member means a registered holder of Units on the Record Date.

Participant means each eligible Member in the Scheme who is participating in the Plan.

Plan means the Distribution Reinvestment Plan established by these Rules.

Record Date has the meaning given to that term in the ASX Listing Rules.

Register means the register of Members maintained for the Scheme.

Registrar means the unit registrar of the Scheme from time to time.

Responsible Entity means Australian Unity Investment Real Estate Limited (ABN 86 606 414 368) in its capacity as responsible entity of the Scheme.

Rules means these rules governing the operation of the Plan.

Scheme means the trust known as the Australian Unity Office Fund (ARSN 113 369 627).

Unit means a unit in the Scheme.

VWAP means the volume weighted average price of the Units sold during the relevant period on the trading system operated by ASX and Chi-X, excluding any sales of Units otherwise than in the ordinary course of trading on either exchange (which include but are not limited to transactions defined in the ASX Operating Rules as 'special crossings', crossings prior to the commencement of normal trading, crossings during the close phase or after the after-hours adjust phase, crossings during overnight trading, overseas trades and trades pursuant to the exercise of options over Units) and any sales of Units which the Responsible Entity determines, in its absolute discretion, ought to be excluded on the basis that they may not be fairly reflective of genuine supply and demand.

2. PARTICIPATION IN THE PLAN

- (a) Participation in the Plan is subject to these Rules.
- (b) Participation in the Plan is optional and is open to each Member unless excluded under these Rules. The right to participate is not transferable.
- (c) All Members whose registered address is in Australia or New Zealand are eligible to participate in the Plan.
- (d) A Member (or a person who has a beneficial interest in a Unit) who is subject to the laws of a country or place other than Australia or New Zealand will not be entitled to participate in the Plan if the Responsible Entity, in its absolute discretion, determines that it would be unreasonable to enable that person to participate having regard to the:
 - (i) the number of Members in that place;
 - (ii) the number or value of the interests of the Members in that place; and
 - (iii) the costs of complying with legal requirements for offering the Plan to Members in that place.
- (e) The issue or transfer of Units to Members will also be subject to all necessary Australian Government approvals (for example, in relation to foreign investment). It will be the responsibility of each Member to obtain any such approvals.
- (f) Members who wish to participate in the Plan must lodge an Application Form with the Registrar.
- (g) Each Application Form received by the Registrar will be effective in respect of the first Distribution payment after receipt of the Application Form, provided it is received on or before 5pm (AEST or AEDT, whichever is applicable) on the Business Day following the Record Date for that Distribution.
- (h) An Application Form by joint holders of Units must be signed by all joint holders.
- (i) An Application Form must be lodged for each Unit holding account and each Unit holding account of a Member will be treated separately for all purposes under the Plan.

- (j) The Responsible Entity may in its absolute discretion accept or refuse any Application Form, without being bound to give any reason for doing so.
- (k) The Responsible Entity may, from time to time, establish an online application process for Members to participate in the Plan. Members will be notified of details of any online application process.

3. LEVEL OF PARTICIPATION

- (a) Members who do not wish to participate in the Plan need do nothing.
- (b) A Member must specify on the Application Form the extent to which the Member wishes to participate by marking the appropriate box. Participation in the Plan may either:
 - (i) **Full participation** for the whole of that Member's holding from time to time however acquired;
 - (ii) **Part participation** for a nominated number of that Member's holding. To elect partial participation in the Plan, Members must mark the appropriate box and enter the number of Units they wish to participate.
- (c) A duly signed Application Form that does not specify the level of participation will be deemed to be an application for full participation in the Plan.
- (d) If the number of Units held by a Member is less than the number specified on the Application Form, this will be deemed to be an application in respect of the lesser number.
- (e) Where a Member elects partial participation, all Units subsequently acquired by that Member will only participate in the Plan to the extent that the Member notifies the Responsible Entity by submitting an updated Application Form.
- (f) The Board may in respect of a Distribution specify a minimum and/or maximum limit on the number of Units for participation in the Plan (as determined by the Board from time to time). If:
 - (i) The minimum limit (if any) is not met, the Participant's Distribution will be paid to the Participant; and
 - (ii) The maximum limit (if any) is exceeded; the Responsible Entity may scale back on a pro-rata basis each Participant's participation in the Plan in respect of that Distribution. Where a scale back applies, any amount of a Participant's Distribution which is not reinvested under the Plan will be paid to the Participant.
- (g) The Responsible Entity's records of the level of a Member's participation and the number of Units subject to the Plan will be conclusive evidence of the matters so recorded.

4. ACQUIRING UNITS UNDER THE PLAN

- (a) The Responsible Entity may, in its absolute discretion, either issue new Units or cause existing Units to be acquired on-market for transfer to Participants, or a combination of both of those options, to satisfy its obligations under the Plan.

- (b) If the Responsible Entity determines that existing Units should be purchased and transferred to a Participant under the Plan, the Units may be acquired in such a manner as the Responsible Entity considers appropriate, including through a broker in the market. Participants agree to appoint a trustee nominated by the Responsible Entity as the Participant's agent to acquire Units for this purpose.
- (c) The price that Participants pay for Units under the Plan will be the same regardless of whether they are issued by the Responsible Entity or acquired on market.
- (d) The Responsible Entity will hold the designated amount of the net Distribution on behalf of a Participant and on, or as soon as practicable after, the relevant Distribution payment date, subscribe for, or acquire, further Units to be issued or transferred at the Issue Price in the name of that Participant.
- (e) Units issued or transferred under the Plan will be allotted in accordance with the ASX Listing Rules and, from the time of allotment, will rank equally in all respects with existing Units.
- (f) For each Participant, the Registrar will establish and maintain an account to hold on behalf of the Participant any fraction of the net Distribution remaining after subscribing for Units – such amounts to be applied for future reinvestment in Units under the Plan on behalf of the Participant. If a Member elects to withdraw completely from the Plan, any amount held in this account will be credited to that Member. No interest will be payable in respect of such amounts.
- (g) Following each issue or transfer of Units pursuant to the Plan, the Participant will receive a statement listing:
 - (i) The number of Units held as at the Record Date;
 - (ii) The number of Units participating in the Plan;
 - (iii) The total amount of the Distribution;
 - (iv) The net amount of the Distribution (after taxes if appropriate) available for subscription of Units;
 - (v) The Issue Price for Units;
 - (vi) The number of Units issued or transferred to the Participant;
 - (vii) The residual amount (if any) to be held for future reinvestment; and
 - (viii) In respect of partial participation in the Plan, the balance of the Distribution to be paid to the Participant.
- (h) Confirmation of Unit holdings allotted pursuant to the Plan will be mailed to Members in accordance with the ASX Listing Rules.
- (i) Newly issued Units to be allotted under the Plan will be issued within the time required by the Listing Rules.
- (j) All Units allotted or transferred under the Plan will be registered on the Register.

5. NUMBER OF UNITS TO BE ISSUED OR TRANSFERRED AND ISSUE PRICE

- (a) Subject to these Rules, the number of Units issued or transferred to a Participant will be the whole number equal to, or where not a whole number, the nearest whole number below the number calculated by the formula:

$$\text{Number of Units} = \frac{(\mathbf{D} - \mathbf{T}) + \mathbf{R}}{\mathbf{C}} \text{ where,}$$

D is the amount of the Distribution payable on the Participant's participating Units as at the Record Date for that Distribution;

- T** is any withholding tax or other amounts to be withheld in relation to such Units;
 - R** is the residual positive balance carried forward in the Participant's Plan account; and
 - C** is the Issue Price
- (b) The determination of the Issue Price and the Number of Units to be issued or transferred, in each case, by the Responsible Entity, will be binding on all Participants.

6. ASX QUOTATION

If not already quoted, application will be made for quotation on the ASX of Units issued pursuant to the Plan and in accordance with the ASX Listing Rules.

7. COST OF PARTICIPATION IN THE PLAN

No brokerage, commissions, stamp duty or other transaction costs will be payable by Participants in respect of the application for, and allotment or transfer of, Units under the Plan. The Responsible Entity assumes no liabilities for any taxes or other imposts assessed against or imposed on a Participant.

8. ALTERATIONS OR CANCELLATION OF PARTICIPATION BY A MEMBER

- (a) A Participant may at any time vary participation in the Plan or cancel participation in the Plan by notice in writing to the Registrar. To be effective for an upcoming Distribution any such notice must be received on or before 5pm (AEST or AEDT, as applicable) on the Record Date for that Distribution.
- (b) If a Participant wishes to vary participation in the Plan, any such notice must advise of the revised number of participating Units.
- (c) If a Participant disposes of all their holding of Units, that Participant's participation in the Plan will cease automatically.
- (d) If a Participant disposes of a part of a holding of Units and does not notify the Registrar otherwise, the Units disposed will be deemed to be firstly, Units that do not participate in the Plan and secondly, Units that do participate in the Plan.
- (e) If the Responsible Entity receives written notice of the death of a Participant such notice will terminate the participation in the Plan of that Participant and of all other Participants (if any) with whom such deceased Participant was a joint Participant.

9. SUSPENSION OF THE PLAN

- (a) The Plan will continue indefinitely until the Responsible Entity terminates (or varies) the Plan pursuant to this clause **Error! Reference source not found..**
- (b) The Plan may be suspended or terminated by the Board at any time, and the Board may decide for which, if any Distributions, the Plan is available. If the Board determines to suspend or terminate the Plan, the Plan will be suspended or

terminated automatically. Any suspension of the Plan will continue until such time as the Board decides to recommence or terminate the Plan. If the Plan is recommenced then elections as to participation in the previously suspended Plan will be valid and have full force and effect in accordance with these Rules.

- (c) The Board shall have a discretion where the Plan has been suspended for 24 months whether or not (and if so at what point) to pay to Participant the residual positive balances standing to the credit of their Participants' Plan accounts.

10. ADMINISTRATION OF THE PLAN

- (a) The Plan will be administered by the Board who shall have the power to:
 - (i) determine appropriate procedures for administration of the Plan consistent with the provisions of these Rules and the Scheme constitution;
 - (ii) resolve conclusively all questions of fact or interpretation in connection with the Plan;
 - (iii) delegate to the extent permitted to any one or more persons, for such period and such conditions as they may determine, the exercise of any of their powers or discretions arising under the Plan; and
 - (iv) amend or add to these Rules on not less than one month's prior written notice to Members. The Board is not required to give one month's prior written notice to Members if it is of the opinion that the amendment or addition is not adverse to Members. In such a case, the Responsible Entity is obliged to notify Members of a change within three months after it is made. The Responsible Entity may give notice of any such amendment as they consider appropriate (including without limitation, by way of public announcement lodged with ASX or by way of notice on the Scheme's website).
- (b) Notwithstanding any other provision of the Plan, the Plan must be administered in accordance with the Listing Rules and the Scheme constitution.
- (c) The non-receipt of any notice under the Plan by the holder of any Units or the accidental omission to give notice of modification or termination of the Plan shall not invalidate such modifications or termination.
- (d) The Responsible Entity reserves the discretion to waive strict compliance with any provisions of these Rules.
- (e) Receipt of an Application Form by the Registrar is deemed to be receipt by the Responsible Entity.
- (f) The Responsible Entity and the Board will not be liable under the Plan for any act done in good faith or for any failure to act including, without limitation to the generality thereof, any claim or liability:
 - (i) in connection with the establishment or operation of the Plan;
 - (ii) arising out of failure to terminate a Participant's participation in the Plan upon the Participant's death prior to receipt of notice in writing of such death;
 - (iii) with respect to the Issue Price of Units; or
 - (iv) in relation to any advice given with respect to participation in the Plan.

11. UNDERWRITING

Subject to the Listing Rules, the Responsible Entity may, in its absolute discretion, arrange for an issue of Units under the Plan to be underwritten or sub-underwritten by one or more underwriters which may include, without limitation, the Responsible Entity, its related bodies corporate or its associates.

12. RULES BINDING

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

13. NOTICES

Any notice or other communication given to the Registrar relating to the Plan will be effective for the purposes of the next relevant Distribution if it is received by the Registrar on or before 5pm on the Record Date for determining the relevant Distribution. Such notice or other communication will be in writing addressed to:

Boardroom Pty Limited
Level 12, Grosvenor Place
225 George Street
Sydney NSW 2000

Any notice or other communication given by the Responsible Entity or the Board to a Participant will be in writing and will be deemed to have been sufficiently given for all purposes by being sent by prepaid post to the Participant at the address which last appears in the Register.

14. GOVERNING LAW

The terms and conditions of the Plan and its operations will be governed by the State of Victoria.

Adoption date: 18 December 2015