

Set out within are frequently asked questions in relation to how the Distribution Reinvestment Plan (**DRP**) operates. These questions should be read in conjunction with, and are subject to, the rules of the **DRP (DRP Rules)**.

Distribution Reinvestment Plan: Q&A



convenience
R E T A I L R E I T

5 JUNE 2018

Convenience Retail REIT

APN Funds Management Limited (ACN 080 674 479) in its capacity as responsible entity of each of Convenience Retail REIT No. 1 (ARSN 101 227 614), Convenience Retail REIT No. 2 (ARSN 619 527 829) and Convenience Retail REIT No. 3 (ARSN 619 527 856) (together **Convenience Retail REIT**).

Disclaimer

This document does not constitute an offer of securities and does not give the right to any person to invest in securities in any jurisdiction in which it would not be lawful to make such an offer or give such a right.

This document is not investment or tax advice and does not take into account the investment objectives, financial situation and particular needs of an investor. You should consult your financial or other professional adviser prior to making a decision on whether or not to participate in the DRP.

1 How do I participate in the DRP?

If you wish to participate or vary your participation in the DRP you will need to complete a DRP Participation Notice available from the Registry or the Convenience Retail REIT website.

If you wish to obtain a DRP Participation Notice from the Registry, please visit the Registry's website at www.linkmarketservices.com.

A separate DRP Participation Notice must be lodged for each Stapled Security holding account and each Stapled Security holding account of an Investor will be treated separately for all purposes under the DRP.

2 When can I participate in the DRP?

While the DRP is open, you can participate in it at any time. The DRP Participation Notice, or relevant election notice, must be received at Link Market Services Limited (the **Registry**) no later than 5:00pm on the Business Day (as defined by the ASX Listing Rules) after the distribution period record date (**DRP Election Date**) in order to participate in the DRP for that distribution (**Distribution**).

3 How long does participation in the DRP last?

Participation in the DRP will automatically continue until you either notify the Registry that you no longer wish to participate, or the DRP is suspended or withdrawn.

If the DRP is suspended, an election as to participation in the DRP will also be suspended and all Stapled Securities are taken not to be DRP Stapled Securities for the purpose of any Distribution paid while the DRP is suspended. Upon reinstatement of the DRP, all prior elections are reinstated unless a DRP Participation Notice is validly submitted by the Eligible Investor by 5.00pm on the Business Day after the next Distribution period record date (**Distribution Record Date**) after the reinstatement of the DRP.

4 Can I reinvest only part of my Distribution in the DRP?

Yes. You can reinvest all or part of your Distribution by so specifying in the DRP Participation Notice. If you choose to reinvest all of your Distribution, the DRP will apply to all amounts distributed on all the Stapled Securities registered in the name of the Investor, including any further Stapled Securities issued or transferred under the DRP.

If you choose to reinvest only part of your Distribution, you must nominate a percentage of your holding. If you do so, your level of participation (by number of Stapled Securities) will automatically change if you acquire or sell Stapled Securities in the future (however, the percentage will not change).

You can increase or decrease your percentage participation level at any time (refer to question 13 for details). If a DRP Participation Notice fails to clearly specify a level of participation, it will be deemed to be an application for full participation in the DRP.

APN Funds Management Limited in its capacity as responsible entity of each of Convenience Retail REIT No. 1, Convenience Retail REIT No. 2 and Convenience Retail REIT No. 3 (together the **Issuer**) may determine a minimum and maximum number of Stapled Securities which each Investor may elect to participate in the DRP. Any minimum and maximum number will be announced to the market from time to time.

5 Can all Investors participate in the DRP?

The following persons are eligible to participate in the DRP (**Eligible Investors**):

- (a) all Investors resident in Australia and New Zealand (unless that Investor holds Stapled Securities only on behalf of another person who resides outside of Australia or New Zealand); and
- (b) any other Investor in respect of whom, the directors of the Issuer (**Directors**) are satisfied that:
 - (i) the offer and issue, or transfer, of Stapled Securities under the DRP to that person is lawful and practicable in the jurisdiction in which they reside; and

- (ii) the Investor does not hold Stapled Securities on behalf of any other person who would, if named as an Investor, not otherwise be an Eligible Investor.
- (c) The Directors have the absolute discretion to determine whether an Investor is an Eligible Investor at any time. In determining whether an Investor is an Eligible Investor, the Directors may consider any factors they consider relevant, including, but not limited to, whether the Investor's participation:
 - (i) is impracticable, impossible, undesirable or illegal;
 - (ii) prejudices the effective operation of the DRP; or
 - (iii) may give rise to any breach of law, the ASX Listing Rules or the constitution of any of the entities comprising Convenience Retail REIT.
- (d) The Directors may decide to suspend or withdraw an Eligible Investor's Stapled Securities from participation in the DRP at any time and at the Directors absolute discretion.

6 What are the costs involved in participating in the DRP?

There is no cost associated with participating in the DRP. Eligible Investors who wish to participate in the DRP do not have to pay brokerage, commission or any other transaction costs on the Stapled Securities issued or transferred under the DRP. This allows Eligible Investors to add to their investment in Convenience Retail REIT in a convenient and cost-effective manner.

7 How is the acquisition price of the DRP Stapled Securities determined?

The price at which the Stapled Securities will be issued or transferred under the DRP will be the arithmetical average of the daily volume weighted average market price (rounded to the nearest cent) of all Stapled Securities traded in respect of normal trades (which will exclude special crossings, overseas trades, option exercise trades and any other trade determined by the Responsible Entity in its sole discretion) recorded on the Australian Securities Exchange (**ASX**) during the first five trading days following the period to which the Distribution relates, less a discount not exceeding 10% (if any) as determined by the Issuer from time to time, rounded to 4 decimal places (**Issue Price**). The five trading day period will commence on the business day after the Distribution Record Date.

A different acquisition price from the one as calculated above may apply, if the Issuer believes that the calculation above does not provide a fair reflection of the market price of the Stapled Securities during this period.

The acquisition price will be announced before the issue of the Stapled Securities under the DRP.

8 How many Stapled Securities will I receive?

The number of Stapled Securities you will receive is calculated as the amount of the Distribution you are entitled to receive (after deduction for any withholding tax or other sum Convenience Retail REIT is entitled to retain in relation to the Distribution) for the relevant period (**Distribution Period**), plus any residual balance in the securityholder's DRP account carried forward from any previous Distribution, divided by the Issue Price of the DRP Stapled Securities, rounded down to the nearest whole number.

9 When will I receive my DRP Stapled Securities?

Eligible Investors electing to take part in the DRP will receive their Stapled Securities within the time required by the ASX.

10 Where will the Stapled Securities allocated to me under the DRP come from?

Subject to the constitution of the entities comprising Convenience Retail REIT, the Issuer may, in its sole discretion, either issue new Stapled Securities to you, or make relevant arrangements to cause existing Stapled Securities to be acquired in the market and then transfer those Stapled Securities to you. The Issuer may also, in its sole discretion, elect to use a combination of both of these options to satisfy its obligations under the DRP.

If the Issuer determines to cause the transfer of existing Stapled Securities to you, the existing Stapled Securities may be acquired in the market in any way the Issuer determines appropriate.

The Issuer may, in its sole discretion, have any issue or acquisition of Stapled Securities under the DRP underwritten.

11 How do I find out how many Stapled Securities I have received from the DRP?

A statement (Holding Statement) will be made available to Eligible Investors participating in the DRP at each Distribution payment date and should be retained for taxation purposes.

This Holding Statement will include details of the number of Stapled Securities participating in the DRP, the amount of Distribution reinvested, the Issue Price per Stapled Security, the number of Stapled Securities issued or transferred under the DRP and the residual cash balance (if any) in the DRP account carried forward.

The Issuer is not liable for any loss or damage that arises in connection with any trading that occurs prior to an Investor receiving their statement from CHESSE.

12 What are the taxation implications of participating in the DRP?

As at the date of this Q&A, the Australian Tax Office ordinarily treats distributions applied to purchase Stapled Securities under the DRP as if they had been received in cash. The Distribution statement issued to you at the time a Distribution is paid will include the details of the income attributable to that Distribution (received either in cash or reinvested in DRP Stapled Securities), and should be retained to complete your tax return.

Investors participating in the DRP who have not supplied their tax file number (TFN), or who are resident outside of Australia, will have withholding tax deducted from Distributions before being reinvested under the DRP. The taxation information given above is a general guide only. Investors should consult their tax adviser to confirm their individual tax position concerning their participation in the DRP.

13 How do I vary the level of participation or withdraw from the DRP?

Participating Investors may vary the level of participation or withdraw from the DRP at any time by giving a DRP Participation Notice to the Registry. Provided that notification is received by no later than 5:00pm on the Business Day after that the Distribution's Record Date (**DRP Election Date**), the variation will apply to that Distribution. Notices received after this date will take effect from the following Distribution Period.

14 Can I sell my participating Stapled Securities?

Yes. You may sell or transfer all or part of your holding at any time, including Stapled Securities participating in the DRP and any Stapled Securities allotted or transferred under the DRP. However, the Issuer is not liable for any loss or damage that arises in connection with any trading that occurs prior to an Investor receiving their statement from CHESSE.

Participating Stapled Securities sold after the Distribution Record Date but on or before the DRP Election Date for a relevant Distribution will not be subject to the DRP for that Distribution, and such Distribution will be received in cash.

15 Are the DRP Stapled Securities the same as my existing Stapled Securities?

Yes. All Stapled Securities allotted or transferred under the DRP will from the date of allotment or transfer rank equally, in all respects, with the existing Stapled Securities on issue and will participate in all Distributions declared subsequently.

16 Can the terms and conditions of the DRP change?

Yes. If it is in the best interests of Convenience Retail REIT and in accordance with the constitution of the entities comprising Convenience Retail REIT, the Issuer may modify, suspend or terminate the DRP at any time, including decreasing the level of discount used in the calculation of the DRP Issue Price. The modification, suspension or termination shall take effect from the date specified by the Issuer and sufficient notice shall be given to all Investors prior to the changes occurring to allow Eligible Investors to withdraw or otherwise change their level of participation before the changes come into effect.

17 What happens if Convenience Retail REIT is no longer stapled?

If stapling ceases to apply, this DRP will terminate automatically unless it is determined otherwise.

While stapling applies, securities in Convenience Retail REIT No. 1, Convenience Retail REIT No. 2 and Convenience Retail REIT No. 3 may only be issued or transferred under this DRP in identical numbers.



convenience
R E T A I L R E I T

Responsible Entity

APN Funds Management Limited

ACN 080 674 479 AFSL No 237500

Level 30, 101 Collins Street
Melbourne Victoria 3000 Australia

T +61 (3) 8656 1000

F +61 (3) 8656 1010

W www.crrreit.com.au