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8 December 2015

The Manager
Company Announcements
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

INTRODUCTION OF DISTRIBUTION REINVESTMENT PLAN

National Storage REIT (**NSR**) is pleased to announce the introduction of a Distribution Reinvestment Plan (DRP) allowing eligible securityholders to reinvest their distributions into NSR stapled securities.

Enclosed is a letter which will be sent to securityholders shortly advising of the introduction of the DRP. The DRP Rules and FAQs are also enclosed.

National Storage is one of the largest self-storage providers in Australia and New Zealand, with over 90 centres providing tailored storage solutions to over 30,000 residential and commercial customers. NSR is the first independent, internally managed and fully integrated owner and operator of self-storage centres to be listed on the Australian Securities Exchange (ASX).

For further information:

Andrew Catsoulis
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07 3218 8100

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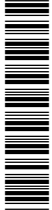
NATIONAL STORAGE REIT (NSR)

National Storage Holdings Limited (ACN 166 572 845)
National Storage Financial Services Limited (ACN 600 787 246 AFSL 475 228) as responsible entity for National Storage Property Trust (ARSN 101 227 712)

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┌ 000001 000 NSR
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Dear Securityholder

NATIONAL STORAGE REIT (NSR) - DISTRIBUTION REINVESTMENT PLAN

The Directors of National Storage are pleased to announce the introduction of the National Storage REIT Distribution Reinvestment Plan (**DRP**).

The **DRP** offers eligible securityholders the opportunity to reinvest their distributions into additional NSR stapled securities.

At this stage, participation in the **DRP** is open to securityholders with a registered address in Australia or New Zealand. Eligible securityholders may elect to take all or part of future distributions in the form of cash or stapled securities in accordance with the **DRP** rules. Stapled Securities will be provided under the **DRP** free of brokerage and other transaction costs.

Further information regarding the **DRP**, including a full copy of the **DRP** rules, is available online at <http://www.nationalstorageinvest.com.au/>. Interested securityholders are strongly encouraged to read the **DRP** rules in full before electing to participate.

What you need to do to participate in the **DRP**

You can elect to participate in the **DRP** by logging on to Computershare's Investor Centre at www.computershare.com.au/easyupdate/NSR. You will need to have your SRN or HIN (as applicable) and postcode in order to access your holding online.

NSR will release an announcement to the ASX regarding the next distribution in due course.

If you do not wish to participate in the **DRP**, you do not need to do anything. You will continue to receive distribution payments in accordance with your current arrangements.

Yours sincerely

Laurence Brindle
Chairman

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National Storage Holdings Limited (ACN 166 572 845)
 National Storage Financial Services Limited (ACN 600 787 246 AFSL 475 228)
 as responsible entity for
 National Storage Property Trust (ARSN 101 227 712)

Return your information:

Online:
www.investorcentre.com/contact

By Mail:
 Computershare Investor Services Pty Limited
 GPO Box 2975 Melbourne
 Victoria 3001 Australia

Enquiries:

(within Australia) 1300 850 505
 (international) +61 3 9415 4000

Securityholder Reference Number (SRN)

┌ 000001 000 NSR
 MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

SRN WITHHELD DEC

For your security keep your SRN/HIN confidential.

Dividend Reinvestment Plan

Use a black pen.
 Print in **CAPITAL** letters
 inside the grey areas.

A	B	C
---	---	---

1	2	3
---	---	---

Where a choice is required,
 mark the box with an 'X'

X

A **Dividend Reinvestment Plan (DRP)**

ALL Please mark this box with an 'X' if you wish all of your holding to participate in the company's DRP.

PART

--	--	--	--	--	--	--	--	--	--

 Show the number of securities you wish to participate in the company's DRP.

B **Sign Here - This section must be signed for your instructions to be executed.**

I/We authorise you to act in accordance with my/our instructions set out above. I/We acknowledge that these instructions supersede and have priority over all previous instructions in respect to my/our securities. Where I/we have indicated participation in the Dividend Reinvestment Plan, I/we hereby agree to be bound by the Terms and Conditions of the Dividend Reinvestment Plan.

<p>Individual or Securityholder 1</p> <table border="1" style="width: 100%; height: 40px;"><tr><td> </td></tr></table> <p>Director</p>		<p>Securityholder 2</p> <table border="1" style="width: 100%; height: 40px;"><tr><td> </td></tr></table> <p>Director/Company Secretary</p>		<p>Securityholder 3</p> <table border="1" style="width: 100%; height: 40px;"><tr><td> </td></tr></table> <p>Sole Director and Sole Company Secretary</p>	

Note: When signed under Power of Attorney, the attorney states that they have not received a notice of revocation. Computershare Investor Services Pty Limited needs to sight a certified copy of the Power of Attorney.

Date - Day Month Year

			/				/				
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D1001

How to complete this form

A Dividend Reinvestment Plan (DRP)

Complete this section if you wish to have your cash dividends reinvested in the form of more company securities.

If you wish to reinvest all of your securities in the company's DRP, please cross the box marked ALL.

If you wish to reinvest part of your securities in the company's DRP, please show the number of securities that you wish to participate.

Please note that an election to participate fully in the Dividend Reinvestment Plan will override any instruction on the registry record regarding direct payment of cash dividends into a nominated account.

This instruction only applies to the specific holding identified by the SRN/HIN and the name appearing on the front of this form.

B Signature(s)

If you have chosen to have your cash dividends fully or partially reinvested into company securities and you have completed Section A, you must sign this form as follows in the spaces provided:-

Joint Holding: where the holding is in more than one name, all of the securityholders must sign.

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

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

D1001

NSR

Please return the completed form to:

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne VIC 3001
Australia





National Storage Financial Services Limited
ABN 72 600 787 246 ("NSFL") AFSL 475 228 as responsible entity for the National Storage
Property Trust (ARSN 101 227 712) ("Scheme")
National Storage Holdings Limited (ABN 38 166 572 845)

Features of the Distribution Reinvestment Plan*

The Distribution Reinvestment Plan ("**Plan**") provides holders of Stapled Securities in National Storage REIT with a convenient method of reinvesting all or part of their Distributions in additional Stapled Securities.

The Plan will be administered by National Storage Financial Services Limited ABN 72 600 787 246 ("NSFL") as responsible entity for the National Storage Property Trust (ARSN 101 227 712) and the directors of National Storage Holdings Limited (ABN 38 166 572 845) ("**Administrators**"). The Plan will commence on a date determined by the Administrators.

The Plan gives Eligible Securityholders the choice of applying Distributions determined by the Administrators to subscribe for additional Stapled Securities rather than receiving those Distributions in cash.

Features of the Plan include:

- participation in the Plan is voluntary and you can choose to reinvest all, part or none of your Distribution in additional Stapled Securities;
- you do not have to appoint a broker and you will not have to pay fees, brokerage or other transaction costs for Stapled Securities acquired by you under the Plan;
- you can choose to join, withdraw or vary your participation in the Plan at any time;
- Stapled Securities acquired by you under the Plan will rank equally with your existing Stapled Securities and are credited directly to your securityholding; and
- statements outlining the Distribution calculation and details of your participation in the Plan as at the relevant Distribution payment date will be mailed to you.

(* Some words used in this summary are defined in the National Storage Distribution Reinvestment Plan Rules.)

Questions and Answers

You should also read the National Storage Distribution Reinvestment Plan Rules ("Rules")* and not rely solely on these questions and answers. If there is any inconsistency between the Rules and these questions and answers, the Rules prevail. This summary and the Rules do not take into account your individual investment objectives, financial situation or tax position. You are encouraged to consult your legal or financial adviser before deciding whether to participate in the Plan.

1 How do I participate in the Plan?

Participation in the Plan is entirely voluntary. All that you need to do is to complete the DRP Election Form specifying whether you would like to participate in the Plan in full or in part, and return it to the Registry at the address shown on the DRP Election Form.

Additional DRP Election Forms can be downloaded from <http://www.nationalstorageinvest.com.au/> or you can contact the Registry on 1300 850 505 to request a DRP Election Form.

2 Who can participate in the Plan?

As a general rule, Securityholders who have a registered address in Australia or New Zealand are eligible to participate in the Plan. However, we may approve or refuse any DRP Election Form. Securityholders whose registered address is outside Australia or New Zealand may only participate in the Plan if the Administrators decide that it is lawful and practicable for them to acquire Stapled Securities under the Plan. Securityholders who are not eligible to participate in the Plan will continue to be paid Distributions as normal.

3 When will my participation begin?

If we accept your DRP Election Form, your participation begins with the first Distribution after we receive your DRP Election Form, if we receive it before 5.00pm on the Record Date for that Distribution. Otherwise, if we receive your DRP Election Form after that time, your participation begins with the next Distribution.

4 How is the Acquisition Price of Plan Stapled Securities calculated?

The Acquisition Price is defined in the Rules. Unless otherwise determined by the Manager, the Acquisition Price is based on the average of the Volume Weighted Average Price ("VWAP") for Stapled Securities for each of the 10 Trading Days from and including the third Trading Day after the Record Date for the Distribution period.

The Manager may decide that you can acquire Stapled Securities at a discount.

5 Do all my Stapled Securities have to participate in the Plan?

No. You may elect to participate in the Plan for all or some only of your Stapled Securities, subject to any minimum or maximum number of Stapled Securities specified by the Administrators from time to time. The Administrators have not set a minimum or maximum limit on participation in the Plan.

6 How many Stapled Securities will I receive?

The number of Stapled Securities you receive is calculated by multiplying the number of participating Stapled Securities you hold at the Record Date by the Distribution amount,

deducting any withholding tax or other applicable deductions, adding any residual positive balance in your Plan account and dividing this amount by the Acquisition Price of the Plan Stapled Securities. In accordance with the Constitutions, any residual positive balance after this calculation is carried forward in your Plan account.

7 How will I know how many Stapled Securities I receive under the Plan?

You will be sent a statement as at the Distribution payment date. This statement will include (amongst other things):

- the number of Plan Stapled Securities you held at the Record Date for the Distribution;
- the Distribution payment calculation (including any withholding tax or other deductions);
- the Acquisition Price of the Plan Stapled Securities; and
- the number of Plan Stapled Securities acquired by you and the amount of any residual positive balance in your Plan account.

8 How will my Plan Stapled Securities be treated for future Distribution payments?

If you choose to participate fully in the Plan, all Stapled Securities held by you at each Record Date for a Distribution will be treated as participating in the Plan for that Distribution.

If you choose partial participation, only the number of Stapled Securities you have specified will be Plan Stapled Securities.

9 What if I have more than one securityholding?

You will need to lodge a separate DRP Election Form for each securityholding registered under a different name or each securityholding bearing a different "Securityholder Reference Number" (SRN) or "Holder Identification Number" (HIN).

10 Can the Plan be changed or terminated?

The Administrators may modify the Rules or suspend or terminate the Plan at any time. If this occurs, the Administrators will notify you in accordance with the Rules and the Constitutions.

11 Can I change my Plan participation?

Yes. You can change your participation or withdraw from the Plan at any time by completing a Variation Notice and giving it to the Registry. The Variation Notice must be received before the next Record Date to be effective for the next Distribution.

12 Can I sell or transfer my Plan Stapled Securities?

Yes, you can sell or transfer your Plan Stapled Securities any time after you acquire them. If you sell any Plan Stapled Securities, you should inform your broker that the Stapled Securities are Plan Stapled Securities. You should also send a Variation Notice to the Registry as soon as possible withdrawing those Stapled Securities from the Plan.

If you sell all your Stapled Securities between a Record Date and the Distribution payment date, your Distribution in respect of your Plan Stapled Securities will still be reinvested in the Plan.

However, if you sell all of your Stapled Securities (including your Plan Stapled Securities) before the Record Date, you will not receive Stapled Securities under the Plan or any other payment on the Distribution payment date.

You will be taken to have terminated your participation in the Plan if you dispose of all your Stapled Securities and, subject to you giving the Registry a Variation Notice in respect of the termination or disposal, any residual cash balance in your Plan account will be paid to you.

13 Will Stapled Securities issued under the Plan be quoted on ASX?

Yes. We will apply to ASX for quotation of Stapled Securities issued under the Plan.

14 What is the tax treatment?

Distributions reinvested into Stapled Securities are usually treated as Distributions received in the hands of the Securityholder for Australian tax purposes. However, we cannot advise on the tax consequences of participating in the Plan. If you have any questions regarding tax consequences, please consult your stockbroker, accountant or professional adviser.

15 Stapling

The Plan will operate whilst Stapling applies.

Shares in the Company and units in the Scheme may only be issued under the Plan in identical numbers stapled together.

16 Enquiries?

If you have further enquiries (other than enquiries concerning tax) about how the Plan operates and how you can participate, please contact the Registry at:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

(* Some words used in these questions and answers are defined in the Rules.)



National Storage Distribution Reinvestment Plan Rules

Dated 8 December 2015

National Storage Financial Services Limited ABN 72 600 787 246
("NSFL" or "**Manager**") AFSL 475 228 as responsible entity for the
National Storage Property Trust (ARSN 101 227 712) ("**Scheme**")

National Storage Holdings Limited (ABN 38 166 572 845)
("**Company**")



National Storage Distribution Reinvestment Plan Rules

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National Storage Distribution Reinvestment Plan Rules

1 Definitions and interpretation

1.1 Definitions

Unless the contrary intention appears, in these Rules:

Acquisition Price means the acquisition price determined under Rules 6.3 and 6.4.

Administrators means:

- (a) the Manager as responsible entity for the Scheme; and
- (b) the directors of the Company.

Allocation means the issue of Stapled Securities to a Participant under the Plan or the transfer of Stapled Securities acquired for the purposes of the Plan to a Participant, as the case may be. "**Allocate**" and "**Allocated**" have a corresponding meaning.

ASX means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange, as appropriate.

CHESS Rules means the rules of the clearing house electronic sub-register system operated by ASX.

Company means National Storage Holdings Limited (ABN 38 166 572 845).

Constitutions means the constitutions of each of the Scheme and the Company, each as amended from time to time.

Corporations Act means the *Corporations Act 2001* (Cth).

Distribution means a distribution in respect of a unit in the Scheme and a dividend in respect of a share in the Company.

DRP Election Form means the application to participate in the Plan in respect of a particular securityholding account in a form (which may include an electronic form) approved by the Administrators from time to time.

Eligible Securityholder means a person registered as the holder of a Stapled Security who is eligible to participate in the Plan as determined by the Administrators under Rule 3.1.

Listing Rules means the listing rules of the ASX and any other applicable rules of ASX, modified to the extent of any express written waiver by ASX.

Manager means the company which is registered with ASIC as the single responsible entity for the Scheme, being National Storage Financial Services Limited ABN 72 600 787 246.

Participant means an Eligible Securityholder whose application to participate in the Plan in respect of a particular securityholding account has been accepted by the Administrators.

Plan means the National Storage Distribution Reinvestment Plan, the terms of which are set out in these Rules.

Plan Stapled Securities means the Stapled Securities in a particular securityholding account which are specified by a Participant as participating in the Plan.

Record Date means the date and time as determined by the Administrators at which a person holds or is taken to hold Stapled Securities for the purposes of determining Distribution entitlements.

Registry means Computershare Limited (ACN 005 485 825) or any other registry that maintains the register of Stapled Securities.

Rules means these rules of the Plan as varied from time to time.

Scheme means the National Storage Property Trust (ARSN 101 227 712).

Securityholder means a person registered as a holder of Stapled Securities or otherwise defined as an "Investor" under the Constitutions.

Stapled means the linking together of a share in the Company and a unit in the Scheme so that one may not be transferred without the other as provided under the Constitutions, and "**Stapling**" has a corresponding meaning.

Stapled Security means a share in the Company and a unit in the Scheme which are Stapled together.

Trading Day has the same meaning as in the Listing Rules.

Variation Notice means a notice by which a Participant may vary or terminate their participation in the Plan, in a form (which may include an electronic form) as approved by the Administrators from time to time.

Volume Weighted Average Price or **VWAP** in respect of a Stapled Security for a Trading Day, means the volume weighted average of the Stapled Security prices for all sales of Stapled Securities recorded on ASX for that Trading Day. The Administrators may include, or may substitute in, VWAP calculations based on trading on another relevant financial market on which trading in the Stapled Securities is permitted. The Administrators may exclude sales that occur otherwise than in the ordinary course of trading on ASX or other financial market (such as special crossings, crossings prior to the commencement of normal trading, crossings during the closing phase and the afterhours adjust phase, overseas sales, sales pursuant to the exercise of options over Stapled Securities, and overnight crossings) and any other sales which the Administrators reasonably consider may not be fairly reflective of natural supply and demand.

1.2 Interpretation

Headings are for convenience only and do not affect interpretation.

Unless the contrary intention appears, in these Rules:

- (a) the word "person" includes a body corporate, a partnership and joint venture;
- (b) the singular includes the plural and vice versa;
- (c) a reference to a document or these Rules includes any variation or replacement of it;
- (d) a reference to a particular person includes a reference to the person's legal personal representatives, executors, administrators and successors;
- (e) a reference to the exercise of a power or discretion includes a decision not to exercise the power or discretion; and
- (f) the meaning of general words is not limited by specific examples introduced by "including", "for example" or "such as" or similar expressions.

2 Commencement of the Plan

The Administrators may determine the date on which the Plan and these Rules will commence operation.

3 Eligibility and participation in the Plan

3.1 Eligibility

- (a) All Securityholders whose registered address is in Australia or New Zealand are eligible to participate in the Plan.
- (b) Securityholders whose registered address is outside Australia or New Zealand may only participate in the Plan if the Administrators determine that the issue or transfer of Stapled Securities to them under the Plan is lawful and practicable. In making this determination, the Administrators may consider, among other things, the number of Securityholders in a place, the number and value of Stapled Securities that may be Allocated to Securityholders in the place, the cost of complying with legal requirements and the requirements of any regulatory authority applicable to offering Stapled Securities under the Plan in that place.

3.2 No transfer

Participation in the Plan is optional and is not transferable.

3.3 **DRP Election Form**

Subject to Rule 3.5, to apply to participate in the Plan, Eligible Securityholders must complete, sign and return a DRP Election Form to the Registry.

3.4 **Joint holders**

- (a) Subject to Rule 3.5, all joint holders of Stapled Securities must sign a single DRP Election Form for it to be valid.
- (b) If a joint holder of Stapled Securities is not an Eligible Securityholder, none of the joint holders can apply to participate in the Plan with respect to the Stapled Securities which are jointly held.

3.5 **Electronic facility**

- (a) The Administrators may determine that Eligible Securityholders can lodge DRP Election Forms and Variation Notices electronically through the Administrators' or Registry's website or the website of an authorised third party. Any electronic facility will be referred to on the Administrators' website and announced to ASX.
- (b) Any DRP Election Forms and Variation Notices lodged electronically must comply with the terms and conditions of the facility.

3.6 **Multiple accounts**

- (a) An Eligible Securityholder must lodge a separate DRP Election Form for each holding of Stapled Securities in relation to which they wish to participate in the Plan.
- (b) Each Stapled Security holding account of an Eligible Securityholder will be treated separately for all purposes under the Plan.

4 **Degree of participation**

4.1 **Participation**

- (a) An Eligible Securityholder who wishes to participate in the Plan must specify on the DRP Election Form the degree to which they wish to participate in the Plan.
- (b) Participation in the Plan may be:
 - (i) **(full participation)** for all the Participant's securityholding from time to time however acquired (including Stapled Securities Allocated under the Plan);
 - (ii) **(partial participation by number)** for a specific number of Stapled Securities nominated by the Participant together with the Stapled Securities acquired under the Plan and any bonus Stapled Securities issued in respect of Plan Stapled Securities. If at the Record Date for a Distribution,

the number of Stapled Securities held by the Participant is fewer than the nominated number, then the Plan will only apply to the lesser number for that Distribution; or

- (iii) **(partial participation by proportion)** if the Administrators determine, partial participation for a specific proportion of Stapled Securities held by the Participant at the relevant time.

4.2 Limited participation

Despite Rule 4.1, the Administrators may at any time by giving notice to Eligible Securityholders limit participation in the Plan by setting a minimum or maximum number of Stapled Securities for participation in the Plan or limit the amount of a Distribution which may be reinvested under the Plan.

4.3 Application taken to be for full participation

A DRP Election Form is taken to be an application for full participation in the Plan for all securityholding accounts of an Eligible Securityholder if the Eligible Securityholder does not clearly indicate:

- (a) the securityholding account to which the DRP Election Form applies; and
- (b) the degree of participation in the Plan.

5 Acceptance of DRP Election Forms

5.1 Administrators' discretion

The Administrators may, in their absolute discretion, accept or refuse any DRP Election Form, without having to give any reason for their decision.

5.2 Rejection of DRP Election Form

If the Administrators refuse to accept a DRP Election Form, the Administrators must notify the relevant Securityholder as soon as reasonably practicable that the DRP Election Form has not been accepted or refused.

5.3 Effectiveness of DRP Election Form

Subject to Rule 5.1, an Eligible Securityholder's participation in the Plan commences from the first Distribution after the Administrators receive a DRP Election Form from the Eligible Securityholder, provided it is received before the Record Date for that Distribution, and continues until:

- (a) the DRP Election Form is superseded by a Variation Notice;
- (b) the Participant terminates their participation in the Plan; or
- (c) the Plan is suspended or terminated.

5.4 Record of DRP Participation

- (a) The Administrators or the Registry will record in respect of each Participant's securityholding account, particulars of:
 - (i) the name and address of the Participant; and
 - (ii) the number of Plan Stapled Securities held by the Participant from time to time.
- (b) The records of the Administrators or the Registry will be conclusive evidence of the matters recorded.

5.5 Significance of applying

By applying to participate in the Plan in accordance with Rule 3, an applicant:

- (a) represents to the Administrators and the Registry that they are an Eligible Securityholder under Rule 3.1 (a) or 3.1 (b);
- (b) authorises the Administrators and the Registry to correct any error in, or omission from, the applicant's DRP Election Form or any Variation Notice;
- (c) acknowledges that the Administrators may determine that the applicant's DRP Election Form or Variation Notice is valid, even if it is incomplete or contains errors;
- (d) acknowledges that the Acquisition Price may or may not include a discount and that any discount may be different between Distributions;
- (e) acknowledges that the Administrators and the Registry have not provided the applicant with investment advice or financial product advice in relation to the Plan; and
- (f) acknowledges that the Rules and information relating to the Plan do not contain any warranty or representation regarding payment of Distributions and do not restrict the Administrators' discretion to determine payment of Distributions in accordance with the Constitutions.

6 Operation of the Plan

6.1 Reinvestment

- (a) Stapled Securities will be Allocated, subject to the Corporations Act and any other applicable law, as determined by the Administrators in their absolute discretion.
- (b) Subject to the Constitutions, Distributions on Plan Stapled Securities will be applied by the Administrators on the Participant's behalf to acquire additional Stapled Securities.
- (c) Any Distributions on Plan Stapled Securities which the Administrators are required or entitled to retain under the

Constitutions or otherwise will not be available for acquiring Stapled Securities.

- (d) Any withholding tax payable in respect of a Distribution will be deducted by the Administrators and only the balance will be applied to acquire Stapled Securities.
- (e) Dividends on shares in the Company and distributions on units in the Scheme will be pooled together for the purpose of calculating a Participant's entitlement to additional Plan Stapled Securities.

6.2 Plan accounts

- (a) The Administrators or the Registry will establish and maintain a Plan account for each Participant.
- (b) At the time of each Distribution payment, the Administrators will:
 - (i) determine the Distribution payable in respect of the Participant's Plan Stapled Securities;
 - (ii) determine any withholding tax or other amount which the Administrators are required or entitled to deduct or retain in relation to Plan Stapled Securities;
 - (iii) credit the amount in paragraph (a) and debit any amount in paragraph (b) to the Participant's Plan account;
 - (iv) determine the maximum whole number of Stapled Securities which can be acquired under these Rules using the amount in the Participant's Plan account;
 - (v) Allocate the maximum whole number of Stapled Securities to the Participant and debit the aggregate Acquisition Price for those Stapled Securities from the Participant's Plan account; and
 - (vi) carry forward any residual positive balance held in a Participant's Plan account.

6.3 Acquisition Price determined by the Manager

- (a) The Acquisition Price for a Plan Stapled Security will be calculated in accordance with the Constitutions, any applicable ASIC relief, this Rule 6.3 and Rule 6.4.
- (b) The Acquisition Price of a Stapled Security Allocated under the Plan will be broken into 2 components consisting of the issue price of a share in the Company and the Acquisition Price of a unit in the Scheme. The Manager shall determine the aggregate of the Acquisition Price and its allocation between shares in the Company and units in the Scheme.
- (c) The Acquisition Price determined by the Manager under this Rule 6.3 may be less than the Acquisition Price otherwise calculated in accordance with Rule 6.4(a). Any discount may be different from one Distribution to the next.

- (d) A determination by the Manager of the Acquisition Price in accordance with this Rule 6.3 binds all Participants.

6.4 Acquisition Price if not determined by the Manager

- (a) If the Manager does not determine the Acquisition Price in accordance with Rule 6.3 by the date Stapled Securities are to be issued upon reinvestment, the Acquisition Price for a Plan Stapled Security will be the average of the VWAP for Stapled Securities for each of the first 10 Trading Days from and including the third Trading Day after the Record Date for the relevant Distribution.
- (b) The VWAP will be calculated by the Administrators by reference to any information approved by the Administrators for this purpose.

6.5 Entitlement formula

- (a) The number of Stapled Securities Allocated to each Participant will be the whole number equal to, or if not a whole number, the nearest whole number below the number calculated by the formula:

$$\frac{D - T + R}{AP}$$

where:

- D is the Distribution payable on the Participant's Plan Stapled Securities as at the Record Date for that Distribution;
 - T is any withholding tax or other amount the Administrators are required or entitled to deduct or retain in relation to the Distribution or the Plan Stapled Securities;
 - R is any residual positive balance carried forward in the Participant's Plan account; and
 - AP is the Acquisition Price.
- (b) Stapled Securities will not be Allocated under the Plan if the Allocation would breach the Listing Rules or any applicable law.

6.6 Residual positive balance

- (a) Any residual positive balance in a Participant's Plan account after the Allocation of Plan Stapled Securities will be carried forward as a residual positive balance in the Participant's Plan account to the next Distribution.
- (b) Any money held on behalf of a Participant in a Participant's Plan account may be aggregated and when the aggregated amount reaches the Acquisition Price of a Stapled Security, be applied in the Allocation of a Stapled Security to the Participant.
- (c) No interest will accrue in respect of any residual positive balance carried forward or held on behalf of the Participant.

- (d) When participation in the Plan terminates, or the Plan terminates, any residual positive balance will be paid to the Participant.

6.7 Allocation of Stapled Securities

- (a) The Administrators may either issue new Stapled Securities or arrange for existing Stapled Securities to be acquired on market and transferred to Participants, or a combination of both, to satisfy the Administrators' obligations under the Plan.
- (b) If the Administrators determine to arrange for the transfer of Stapled Securities to Participants, the Stapled Securities may be acquired on market in any manner the Administrators consider appropriate.
- (c) Without limiting paragraph (b), Participants acknowledge that the Administrators may appoint a trustee as agent of the Administrators to acquire Stapled Securities on market and to transfer those Stapled Securities to Participants under the Plan.

6.8 Equal ranking

All Stapled Securities Allocated under the Plan will rank equally in all respects with existing Stapled Securities.

6.9 Securities must be Stapled

No unit in the Scheme may be Allocated unless Stapled to a share in the Company and no share in the Company may be Allocated unless Stapled to a unit in the Scheme.

6.10 Allocation of Stapled Securities and despatch of statements

- (a) Stapled Securities to be Allocated under the Plan will be Allocated in accordance with the Constitutions and the Listing Rules.
- (b) Securityholder statements in respect of any Plan Stapled Securities will be despatched as soon as practicable after each Allocation if required by the Constitutions.

6.11 Registration

All Plan Stapled Securities will be registered on the register maintained by the Administrators or the Registry.

6.12 Quotation on ASX

The Administrators must apply to ASX for quotation of any Stapled Securities issued under the Plan, if other Stapled Securities are quoted at that time.

6.13 Underwriting

The Administrators may, in their absolute discretion, arrange for an issue of Stapled Securities under the Plan to be underwritten or sub-underwritten by one or more underwriters which may include, without limitation and subject to the Listing Rules, a related body corporate or associate of an Administrator.

7 Statements

As soon as practicable after each Allocation of Stapled Securities under the Plan, the Administrators will send to each Participant a holding statement in accordance with, and containing the information required by, the CHES Rules together with a statement for each Participant's securityholding account which includes the following information:

- (a) the number of the Participant's Plan Stapled Securities on the Record Date for the relevant Distribution;
- (b) the Distribution payable in respect of that Participant's Plan Stapled Securities which has been applied towards acquiring additional Stapled Securities;
- (c) any withholding tax or other amount which the Administrators have deducted or retained in relation to the Distribution or the Participant's Plan Stapled Securities;
- (d) the number, Acquisition Price and Allocation date of additional Stapled Securities acquired by that Participant under the Plan;
- (e) the total number of Stapled Securities (including Plan Stapled Securities) in respect of which that Participant is the registered holder; and
- (f) the amount of any residual positive balance held in the Participant's Plan account, if any, which has arisen after the most recent Allocation and any previous Allocation of Stapled Securities to the Participant under the Plan.

8 Variation or termination of participation

8.1 Variation Notice

- (a) By giving the Registry a Variation Notice for each securityholding account, a Participant may:
 - (i) increase or decrease the number of their Plan Stapled Securities; or
 - (ii) terminate their participation in the Plan.
- (b) Unless the Administrators decide otherwise, to be effective for a future Distribution, a Variation Notice must be received by the Registry before the Record Date for that Distribution.

8.2 Participation taken to be terminated

- (a) If a Participant disposes of all of the Participant's Stapled Securities without giving the Registry a Variation Notice and is not registered as a Securityholder under the Constitutions as at the Record Date for payment of a Distribution, the Participant is taken to have terminated their participation in the Plan on the last date when the Participant was taken to be a Securityholder under the Constitutions.

- (b) If a Participant terminates their participation in the Plan or disposes of all of their securityholding without giving the Registry a Variation Notice, the Administrators are not required to pay the Participant any residual positive balance held in the Participant's Plan account.

8.3 Part disposal and no notice

When a Participant disposes of part of their securityholding, and does not notify the Registry otherwise, to the extent possible, the Staped Securities disposed of will be taken to be:

- (a) first, Staped Securities which are not Plan Staped Securities; and
- (b) secondly, Plan Staped Securities.

9 Modification, suspension and termination of the Plan

9.1 Modification

- (a) The Plan may be modified by the Administrators at any time.
- (b) A Participant continues to participate in the modified Plan unless a Participant notifies the Administrators to the contrary or a Participant is taken to have terminated their participation in accordance with these Rules.
- (c) A modification of the Plan is effective from the day after notice of the modification has been given to the Participants in accordance with Rule 9.5.

9.2 Administrators may suspend or terminate the Plan

- (a) The Plan may be suspended, recommenced or terminated by the Administrators at any time.
- (b) A suspension, recommencement or termination of the Plan is effective from the day after notice of the suspension, recommencement or termination has been given to Participants in accordance with Rule 9.5.

9.3 Suspension

- (a) The Plan remains suspended until the Administrators determine to either recommence or terminate the Plan.
- (b) While the Plan is suspended:
 - (i) Participants' elections as to their participation in the Plan cease to be effective and all Staped Securities are taken not to be Plan Staped Securities; and
 - (ii) Distributions on Staped Securities will not be applied by the Administrators on the Participant's behalf in acquiring Staped Securities.

- (c) If the Plan recommences, Participants' elections which have not been withdrawn are automatically re-instated unless the Administrators determine otherwise and notify the Participants of such a determination in accordance with Rule 9.5.

9.4 Automatic termination if Stapling ceases

If Stapling ceases to apply, this Plan will terminate automatically.

9.5 Notice

- (a) Subject to the Constitutions, notice may be provided in any manner including by written notice to Participants, by public announcement, advertisements in any newspapers circulating generally in Australia, notice on the Administrators' website or announcement to ASX, which the Administrators consider appropriate to bring any modification, suspension, recommencement or termination to the notice of Participants or Securityholders.
- (b) The accidental omission to give notice of a modification, suspension or termination in accordance with Rules 9.1 and 9.2, or the non-receipt of any notice by any Participant will not invalidate the modification, suspension or termination of the Plan.

9.6 No liability

Any modification, suspension, recommencement or termination of the Plan will not give rise to any liability on the part of, or right of action against, the Administrators or their officers, employees, representatives or agents.

9.7 Omission or non-receipt of notice

The accidental omission to give notice of modification, suspension, recommencement or termination to any Participant or the non-receipt of notice by any Participant will not invalidate the modification, suspension, recommencement or termination of the Plan.

10 Administration of the Plan

10.1 Administration

The Administrators will administer the Plan and have the power to:

- (a) determine procedures for the administration of the Plan which are consistent with the Rules and the Constitutions;
- (b) settle any difficulties, anomalies or disputes which may arise in connection with the operation of the Plan, whether generally or in relation to any Participant or any Stapled Securities, in any manner as they think expedient. Any determination of the Administrators is conclusive and binding on all Participants and other persons to whom the determination relates; and

- (c) delegate the exercise of any of their powers or discretions under the Plan to any person including the Registry for any period of time and on any conditions as the Administrators determine.

10.2 Subject to the Listing Rules and Constitutions

Despite any provision of these Rules, the Plan must be administered in accordance with the Listing Rules and the Constitutions.

10.3 The Administrators' powers and discretions

- (a) Subject to any applicable law, the Administrators may exercise any of their powers and discretions arising under these Rules and in relation to the Plan in any way they consider appropriate unless these Rules state otherwise.
- (b) The Administrators reserve the discretion to waive strict compliance with any provisions of these Rules.

11 No representation or warranty

The Plan relates to the reinvestment of Distributions for which the Administrators have determined that the Plan is available. Neither the Plan nor the Plan Rules contain any warranties or representations regarding the payment of Distributions. Further, the Plan does not in any way restrict the discretion of the Administrators to determine to pay Distributions in accordance with the Constitutions.

12 Participants to be bound

Participants are at all times bound by these Rules as modified from time to time.

13 Costs to Participants

- (a) Subject to paragraph (b), no brokerage, commission or other transaction costs will be payable by Participants in respect of Stapled Securities Allocated under the Plan. However, a Participant has liability for any taxes, stamp duty or other charges assessed in relation to the Participant or their Plan Stapled Securities.
- (b) In the event of a change in any law such that at the date of any Allocation of Stapled Securities under the Plan, stamp duty is payable in respect of all or any part of the Allocation, the amount of stamp duty will be paid by the Participant to whom the Stapled Securities are Allocated and will be debited to that Participant's Plan account.

14 Governing law

These Rules will be governed by, and construed in accordance with, the laws of Victoria.