
76-78 Pitt Street, Sydney

Charter Hall

Long WALE REIT

Acquisitions and equity raising

9 December 2020

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Agenda

Acquisitions and
equity raising

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Transaction overview

Acquisitions

- Charter Hall Long WALE REIT ("CLW") is pleased to announce that it has entered into agreements to acquire the following properties:
  - A 100% interest in 76-78 Pitt Street, Sydney NSW via a sale and leaseback to Telstra for $281.5 million; and
  - A 100% interest in a new Bunnings property to be developed in Caboolture, QLD for $28.1 million[1].
- In addition, CLW is pleased to announce it has acquired a 49.9% interest in a Endeavour Group leased pub the Parap Tavern in Darwin, NT for $9.8 million[2]

(together the "Acquisitions" or the "Acquisition Portfolio")

$319m
Acquisition Portfolio Valuation

10.4 year
Acquisition Portfolio WALE

88%
Sydney weighting

91%
NNN

- In addition to the Acquisitions, CLW continues to advance deployment opportunities for its $339 million of investment capacity[3]

Equity raising

- The REIT will undertake a fully underwritten institutional placement ("Placement") of $250 million at an issue price of $4.65 per security ("Issue Price") to partially fund the Acquisitions and associated transaction costs

$250m
Placement

1. On-completion valuation
2. Acquisition made via CLW's 49.9% interest in the Long WALE Investment Partnership (LWIP)
3. Post the Acquisitions, Placement and settlement of the bp New Zealand portfolio announced on 10 September 2020, which has exchanged with settlement subject to New Zealand Overseas Investment Office approval

Transaction overview (cont.)

Financial impact

- Including the impact of the Acquisitions and Placement, and based on information currently available (including with respect to the COVID-19 pandemic) and barring any unforeseen events, CLW reaffirms guidance previously provided to the market on 10 September 2020 of no less than:

29.1 cps	6.3%
FY21 Operating EPS	FY21 Operating EPS yield[1]

- Following the Acquisitions, Placement and portfolio revaluations the REIT's key pro-forma[2] metrics are:

$4.2bn	$4.71	23.2%	35.1%
Portfolio value	NTA per security	Balance sheet gearing	Look-through gearing

Valuation update

- As announced on 30 November 2020, 89%[3] of the REIT's portfolio has been independently valued as at 31 December 2020
- Post the revaluations, the portfolio's WACR firmed 18bps from 5.42% as at 30 June 2020 to 5.24% (pre Acquisitions)

$150m	4.5%
Net valuation uplift	Increase over 30 June 2020 values

1. Based on the Issue Price of $4.65 per security and FY21 Operating EPS guidance of no less than 29.1 cents per security
2. Metrics on this page and throughout this presentation are as at 30 June 2020 pro forma adjusted as outlined in Appendix A
3. Based on CLW's portfolio valuation of $3.9 billion (pre Acquisitions), including the bp New Zealand portfolio announced on 10 September 2020, which has exchanged with settlement subject to New Zealand Overseas Investment Office approval

Strategic rationale

Well located, strategic long WALE properties with predominant NNN lease terms[4]

1 Strategic properties weighted to core Sydney locations

- ✓ Acquisitions increase the REIT's NSW exposure from 29% to 33%[1]
- ✓ 76-78 Pitt Street is a prime Sydney CBD property with high underlying land value and optionality
- ✓ Bunnings Caboolture and Parap Tavern are located in strong trading areas and identified growth corridors for Bunnings and Endeavour Group respectively

2 NNN leases with long-term growing income

- ✓ Acquisitions increase the proportion of NNN leases in the REIT's portfolio from 50% to 53%[2]
- ✓ Acquisition Portfolio WALE of 10.4 years[2]
- ✓ Increases the proportion of fixed rent reviews in the REIT's portfolio to 55%, underpinning the REIT's secure, growing income[2]

3 Extends relationships with high quality tenants

- ✓ Acquisitions strengthen the REIT's relationships with existing high quality tenants in Telstra, Bunnings and Endeavour Group
- ✓ Reinforces the REIT's credentials as an active participant in the sale and leaseback market, providing growth opportunities

4 Attractive financial impact

- ✓ FY21 Operating EPS guidance of no less than 29.1 cents per security[3]
- ✓ FY21 Operating EPS yield of 6.3% at the Issue Price of $4.65
- ✓ Pro forma balance sheet gearing below the target range of 25 – 35%
- ✓ Pro forma NTA of $4.71
- ✓ Investment capacity of $339 million[5]

1. Weighted by property value (REIT ownership interest)
2. Weighted by net passing income (REIT ownership interest)
3. Including the impact of the Acquisitions and Placement, and based on information currently available (including with respect to the COVID-19 pandemic) and barring any unforeseen events
4. Metrics on this page and throughout this presentation are as at 30 June 2020 pro forma adjusted as outlined in Appendix A
5. Post the Acquisitions, Placement and settlement of the bp New Zealand portfolio announced on 10 September 2020, which has exchanged with settlement subject to New Zealand Overseas Investment Office approval

Acquisitions overview – 76-78 Pitt Street, Sydney, NSW

Prime CBD property with secure, long-term growing income and future optionality

Property details

Address	76-78 Pitt Street, Sydney NSW
Property type	Telco Exchanges
Ownership interest	100%
Title	Freehold
Purchase price	$281.5m
Initial yield	4.53%
Annual rent review	2.5%
Tenant	Telstra
WALE	10.0 years
Options	2 x 1 year
Gross building area (GBA)	23,586 sqm

Property and transaction overview

- 1,507 sqm site located in the core of the Sydney CBD
- Improvements comprise a 15-level structure currently used as a telephone exchange, data centre and broadcasting centre with total GBA of 23,586 sqm
- 10 year NNN lease with the tenant responsible for all outgoings, maintenance and capital expenditure
- High underlying land value and future use optionality
- CLW is acquiring a 100% direct freehold interest in the property via a sale and leaseback to Telstra
- Extends the REIT’s relationship with Telstra, one of Australia’s largest investment grade companies
- Secure, growing income with 2.5% fixed annual rent reviews
- Increases the REIT’s proportion of NNN leases
- Increases the REIT’s exposure to Sydney, NSW

Acquisitions overview – Bunnings Caboolture, QLD

New Bunnings development to be leased on an initial 12 year term

Property details

Address	459 Pumicestone Road, Caboolture QLD
Property type	Long WALE Retail
Ownership interest	100%
Title	Freehold
Purchase price	$28.1m
Initial yield	4.75%
Annual rent review	CPI
Tenant	Bunnings
WALE	12.0 years
Options	8 x 6 years
GLA	14,012 sqm

Artist's impression

Property and transaction overview

- New 14,042 sqm Bunnings property to be developed in Caboolture, QLD as part of a new master planned large format retail precinct
- Bunnings to occupy the property on an initial 12 year lease with annual CPI rent reviews on completion (estimated December 2021)
- Property being acquired on a fund-through basis comprising upfront land and progressive funding of the development with CLW receiving a coupon of 4.75% of total contributions during the development phase
- Broadens CLW's Bunnings relationship and builds upon CLW's recent acquisition of the Bunnings Palmerston development
- Increases CLW exposure to the defensive DIY hardware sector

Acquisitions overview – The Parap Tavern, Darwin, NT

Recently refurbished Darwin pub with a 15 year, NNN lease to Endeavour Group

Property details

Address	15 Parap Road, Darwin NT
Property type	Long WALE Retail
Ownership interest	49.9%
Title	Freehold
Purchase price (CLW interest)	$9.8m
Initial yield	5.63%
Annual rent review	CPI
Tenant	Endeavour Group
WALE	15.0 years
Options	1 x 15 years and 4 x 10 years
GLA	1,500 sqm

Property and transaction overview

- 5,450 sqm site located 2km from the Darwin CBD in close proximity to the major Stuart Highway
- Comprises a tavern, adjoining BWS bottle shop and parking for 87 vehicles
- Substantially refurbished in 2015
- Leased to Endeavour Group on an initial 15 year lease with long-term options and CPI rent reviews
- NNN lease, with tenant responsible for all outgoings, maintenance and capital expenditure
- Acquisition of the property settled in October 2020. CLW acquired a 49.9% interest via its interest in the Charter Hall managed Long WALE Investment Partnership (LWIP)

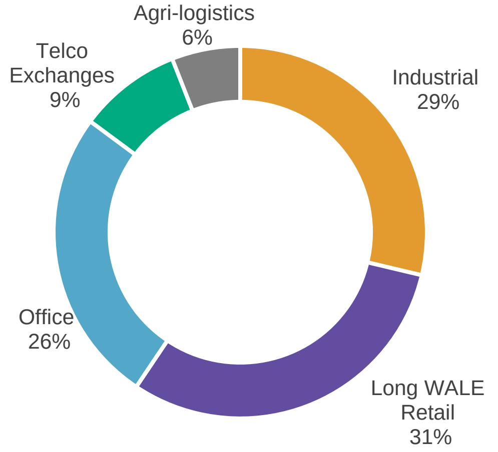
CLW portfolio impact

Australia’s largest and most diversified long WALE REIT

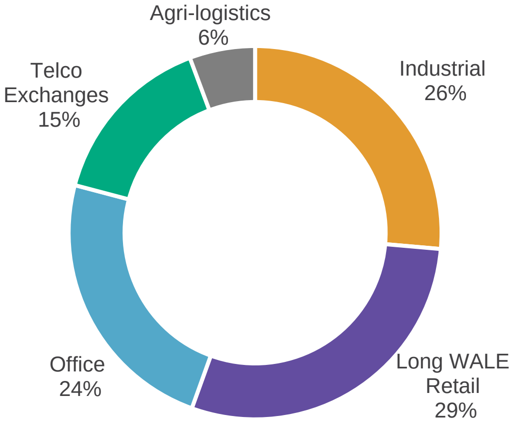
	Pre-Acquisition[1]	Acquisition Portfolio	Post-Acquisition
Number of properties	456	3	459
Property valuation	$3,908m	$319m	$4,227m
Proportion of NNN leases	50%	91%	53%
Weighted Average Capitalisation Rate (“WACR”)	5.24%	4.58%	5.19%
Occupancy	97.1%	100%	97.3%
WALE	14.5 years	10.4 years	14.2 years
WARR[2]	2.2%	2.3%	2.2%

Portfolio by sector[3]

Pre-Acquisition[1]

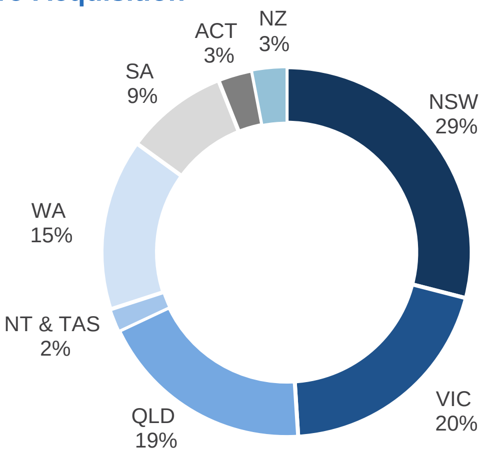


Post-Acquisition

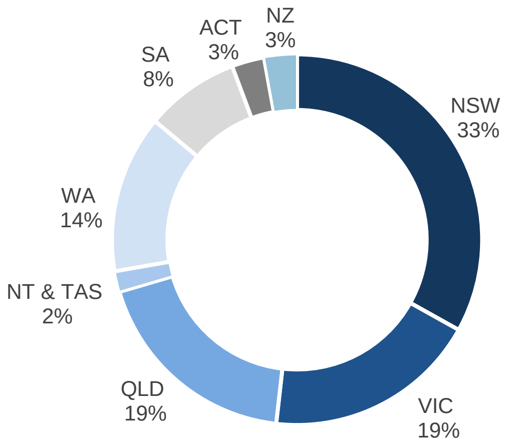


Portfolio by geography[3]

Pre-Acquisition[1]



Post-Acquisition



1. Per pro forma metrics outlined in the investor presentation released to market on 10 September 2020, adjusted for the REIT’s property revaluations as at 31 December 2020 and the vacancy of 56 Edmondstone Road, Bowen Hills
2. CPI is assumed at 1% on average over the forecast period
3. Sector and geographic exposure weighted by property value (REIT ownership interest). Total may not add to 100% due to rounding

Tenant diversification

Expands CLW's relationships with existing high quality tenants

Major tenants[1]

Telstra	19%
Australian Government, NSW Government, Queensland Government, Government of Western Australia, Government of South Australia, Brisbane City Council, Australia Post	16%
bp	14%
Woolworths, Endeavour Drinks	13%
Ingham's	7%
Coles Group	6%
Metcash	6%
Arnott's Group	4%
Westpac	3%
Bunnings Warehouse	3%
Suez	2%
Linfox	2%
Electrolux	1%
Toll	1%

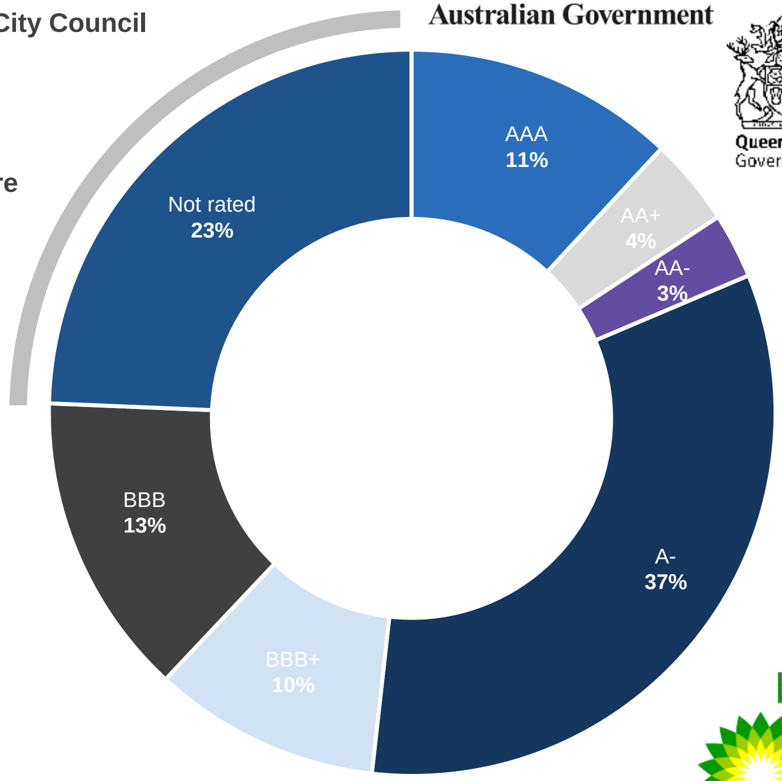
1. Weighted by net passing income (REIT ownership interest)

Tenant diversification (cont.)

High proportion of investment grade tenants

Independent credit rating - key tenants[1]

- Brisbane City Council
- Arnott's
- Inghams
- Metcash
- Linfox
- Coates Hire



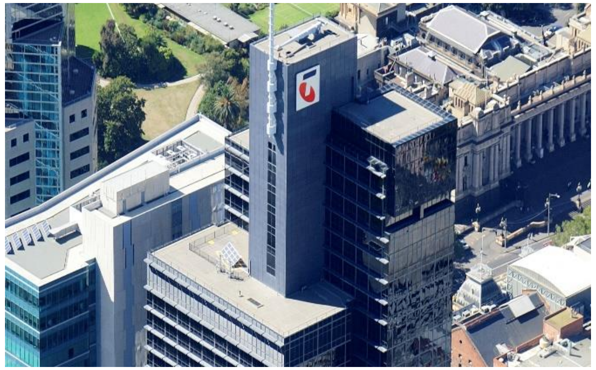
1. Weighted by net passing income (REIT ownership interest). Credit ratings refer to published Standard & Poor's long-term issuer ratings and relate to the parent entity of the tenant entity. In some instances the parent entity does not guarantee the tenant entity. Total may not add to 100% due to rounding

Tenant resilience

Resilient and defensive sector exposures

Portfolio income exposure to key defensive tenant industries[1,2]

Telecommunications (19%)



242 Exhibition Street, Melbourne

Government (16%)

The Glasshouse, Macquarie Park, Sydney

Grocery & distribution (15%)

Woolworths Distribution Centre, Dandenong, Melbourne

Convenience retail (14%)

bp Forestville, Sydney

Pubs & bottle shops (12%)

Kawana Waters Hotel, QLD

Food manufacturing (11%)

Arnott’s Huntingwood, Sydney

Waste & recycling management (2%)

SUEZ Artarmon, Sydney

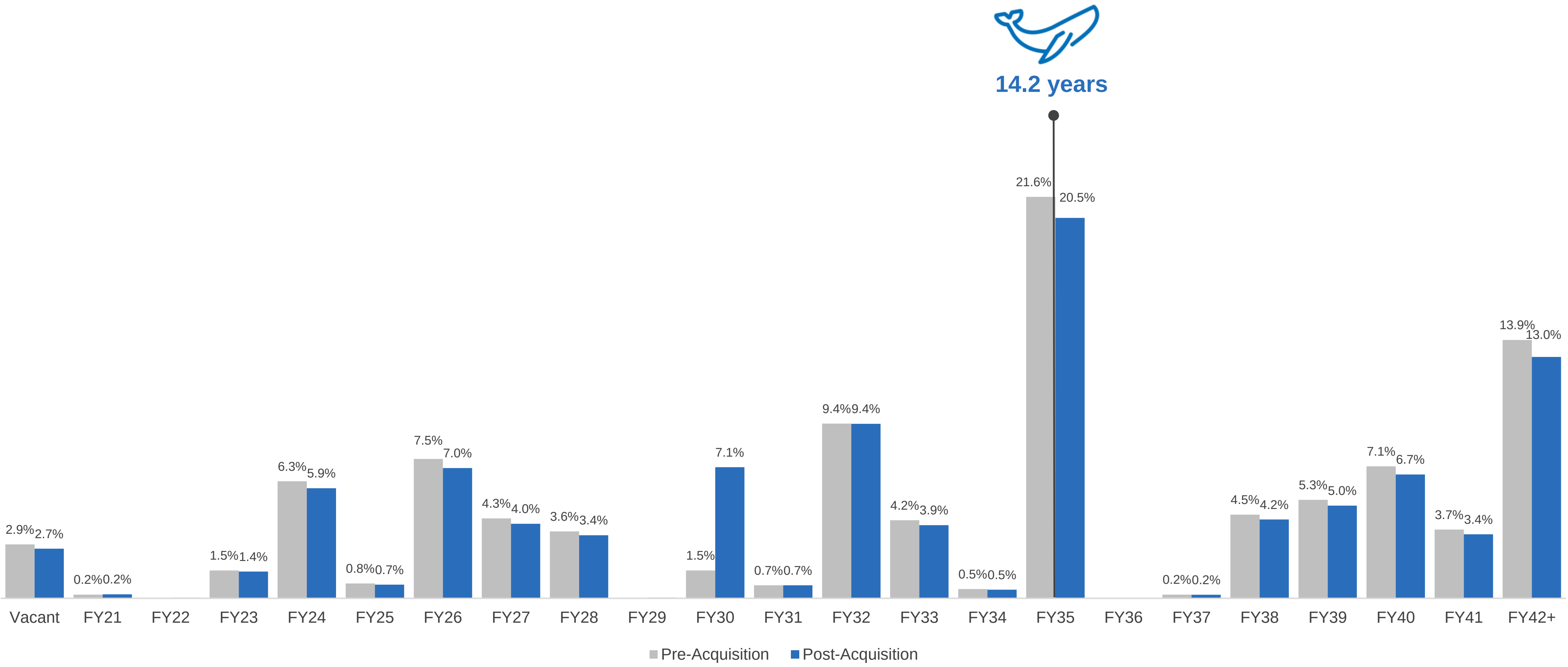
Other[3] (11%)

Bunnings, South Mackay

1. Weighted by net passing income (REIT ownership interest).
2. Total may not add to 100% due to rounding
3. Includes non-discretionary retail, banking and financial services and defence services

Lease expiry profile

Long dated portfolio WALE of 14.2 years



1. Weighted by net passing income (REIT ownership interest).
2. Totals may not add due to rounding.

Sources and uses of funds

Acquisitions to be partially funded by a $250 million institutional placement

- The REIT will undertake a fully underwritten institutional placement of $250 million to partially fund the Acquisitions and associated transaction costs
- The REIT also recently raised $72.4 million from its upsized October 2020 Security Purchase Plan (SPP) and September 2020 quarter Distribution Reinvestment Plan (DRP) and these proceeds will be deployed to partially fund the Acquisitions and associated transaction costs
- The balance of the funding for the Acquisitions and associated transaction costs will be sourced from existing CLW debt capacity

Sources of Funds	$m
Proceeds from the Placement	250.0
Proceeds from the Oct-20 SPP and Sep-20 DRP	72.4
Debt	24.3
Total sources	**346.7**
Uses of Funds	**$m**
Acquisitions	319.4
Acquisitions and Placement transaction costs[1]	27.3
Total uses	**346.7**

Key equity raising metrics	
Issue Price	$4.65
Discount to CLW's last close price on 8 December 2020	3.3%
Discount to CLW's 5 day VWAP on 8 December 2020	4.3%
Pro forma market capitalisation post Placement[2]	$2.7bn
FY21 OEPS yield (at Issue Price)[3]	6.3%
FY21 DPS yield (at Issue Price)[3]	6.3%
Pro forma balance sheet gearing (post Acquisitions[4] and Placement)	23.2%
Pro forma look-through gearing (post Acquisitions[4] and Placement)	35.1%

1. Includes a 1.0% acquisition fee payable to Charter Hall Group
2. Based on CLW's market capitalisation as at 8 December 2020 adjusted for the Placement of $250 million
3. Based on CLW's guidance for FY21 Operating EPS of no less than 29.1 cents per security. Assumes a 100% payout ratio
4. Including the acquisition of the bp New Zealand portfolio announced on 10 September 2020, which has exchanged with settlement subject to New Zealand Overseas Investment Office approval

Equity raising overview

Fully underwritten institutional placement

Structure	– A fully underwritten institutional placement to raise $250 million to partially fund the Acquisitions and associated transaction costs

Pricing	– Fixed issue price of $4.65 per security ("Issue Price") represents a:
	  – 3.3% discount to the last close price of $4.81 on 8 December 2020
	  – 4.3% discount to the 5 day VWAP of $4.86 on 8 December 2020
	  – 6.3% FY21 forecast Operating EPS yield

Ranking	– Securities issued under the Placement will rank equally with existing CLW securities from the date of issue and will be entitled to the distribution for the three months to 31 December 2020 of 7.3 cents per security
Underwriting	– The Placement is fully underwritten by J.P. Morgan Securities Australia Limited, Morgan Stanley Australia Securities Limited and UBS AG, Australia Branch

Timetable

Event	Date
Trading halt and announcement of the Acquisitions and Placement	Wednesday, 9 December
Placement bookbuild	Wednesday, 9 December
Trading of securities recommences on the ASX	Thursday, 10 December
Settlement of new securities issued under the Placement	Monday, 14 December
Allotment and normal trading of new securities issued under the Placement	Tuesday, 15 December

All dates and times are indicative only and subject to change

Conclusion

- ✓ 76-78 Pitt Street is a unique acquisition of a long WALE, NNN property in the Sydney CBD which provides secure, growing income supported by high underlying land value
- ✓ Bunnings Caboolture and the Parap Tavern are long leased properties located in strong trading areas and identified growth corridors respectively
- ✓ Increases the REIT's NSW exposure and proportion of NNN leases
- ✓ Expands CLW's relationship with existing high quality tenants in Telstra, Bunnings and Endeavour Group
- ✓ Strong balance sheet maintained with pro forma balance sheet gearing below the target range
- ✓ CLW is well positioned with $339 million of investment capacity
- ✓ Reaffirmed FY21 OEPS guidance of no less than 29.1 cents per security which reflects a yield of 6.3% at the Issue Price

Appendix A

A

76-78 Pitt Street, Sydney

Reconciliation of portfolio metrics

	Jun-20[1]	Change from Dec-20 revaluations	Jun-20 pro forma adjusted (pre-Acquisitions)	Change from Acquisitions	Jun-20 pro forma adjusted (post-Acquisitions)
Number of properties	456	-	456	3	459
Property valuation	$3,758m	$150m	$3,908m	$319m	$4,227m
WACR	5.45%	(0.21%)	5.24%	(0.05%)	5.19%
Occupancy	97.1%	-	97.1%	0.2%	97.3%
WALE	14.5 years	-	14.5 years	(0.3) years	14.2 years
Proportion of NNN leases	50%	-	50%	3%	53%
WARR	2.2%	-	2.2%	-	2.2%
Proportion of leases subject to fixed rent reviews	52%	-	52%	3%	55%

1. Per pro forma metrics outlined in the investor presentation released to ASX on 10 September 2020, including the bp New Zealand portfolio which has exchanged with settlement subject to New Zealand Overseas Investment Office approval, and adjusted for the vacancy of 56 Edmondstone Road, Bowen Hills and capitalised costs incurred since 30 June 2020.

Pro forma balance sheet

(A$m)	Jun-20[1]	Sep-20 DRP and Oct-20 SPP proceeds[2]	Dec-20 revaluations	Acquisitions and Placement	Jun-20 pro forma adjusted
Cash	38.4	-	-	-	38.4
Investment properties	1,879.2	-	53.1	309.6	2,241.8
Equity accounted investments	1,188.3	-	97.0	9.8	1,295.1
Other assets	26.7	-	-	-	26.7
Total assets	**3,132.6**	**-**	**150.0**	**319.4**	**3,602.0**
Provision for distribution	30.1	-	-	-	30.1
Debt	841.2	(72.4)	-	96.7	865.5
Unamortised borrowing costs	(2.8)	-	-	-	(2.8)
Other liabilities	15.7	-	-	-	15.7
Total liabilities	**884.2**	**(72.4)**	-	**96.7**	**908.4**
Net tangible assets	**2,248.4**	**72.4**	**150.0**	**222.7**	**2,693.6**
Securities on issue (m)	502.6	15.0	-	53.8	571.4
NTA per security ($)	**$4.47**				**$4.71**
Balance sheet gearing	**25.9%**				**23.2%**
Look through gearing	**38.8%**				**35.1%**

1. Per pro forma metrics outlined in the investor presentation released to ASX on 10 September 2020
2. Reflects $66.1 million of October 2020 SPP proceeds and $6.3 million of September 2020 quarter dividend reinvestment proceeds

Appendix B

B

Summary of key risks

Investors should carefully consider the risk factors described below. Additional risk factors and uncertainties that are not known to the Responsible Entity, Charter Hall WALE Limited (Responsible Entity) at the time of this Placement or which are considered immaterial, may in the future materially impact CLW assets, financial condition or operations and may have an adverse effect on an investment in CLW. More information on the Responsible Entity's approach to Corporate Governance and risk management can be found in the "Corporate Governance" section of the CLW's website: https://www.charterhall.com.au/About-Us/corporate-governance/corporate-governance-long-wale-reit

RISKS RELATING TO ACQUISITIONS

Acquisition risk
The REIT expects the Acquisitions to proceed as advised in this Presentation. If the Acquisitions in fact fail to complete or completion is delayed, the expected financial performance of the REIT could be adversely affected. If the Acquisitions do not complete and the REIT has raised funds under this Placement, the REIT will need to consider alternative uses for, or ways to return, those funds. In particular, a condition precedent for the acquisition of the 100% interest in a new Bunnings property to be developed in Caboolture QLD is the receipt of the applicable development approvals by the seller within 12 months of the date of the contract of sale. Therefore, the settlement of this acquisition is subject to various development approvals.

Reliance on information provided in respect of the Acquisitions
CLW and its advisers have undertaken a due diligence process in respect of each Acquisition, which relied in part on the review of the financial and other information provided by each vendor. Despite taking reasonable efforts, CLW and its advisers have not been able to verify the accuracy, reliability or completeness of all the information that was provided to it against independent data. If any of the data or information provided to and relied upon by CLW in its due diligence process and its preparation of this Presentation proves to be incomplete, inaccurate or misleading, there is a risk that the financial position and performance of each Acquisition may be materially different to that expected by CLW as reflected in this Presentation.

Underwriting
The REIT has entered into an underwriting agreement under which the underwriters of the Placement have agreed to fully underwrite the Placement, subject to the terms and conditions of the underwriting agreement between the Responsible Entity and the underwriters (Underwriting Agreement). The underwriters' obligation to underwrite the Placement is conditional on certain customary matters. Further, if certain events occur, the underwriters may terminate the Underwriting Agreement. Termination of the Underwriting Agreement is likely to have an adverse impact on the amount of proceeds raised under the Placement and could materially adversely affect the REIT's business, cash flow, financial performance, financial conditions and security price. A summary of the termination events in the Underwriting Agreement is set out in Appendix D of this Presentation.

RISKS RELATING TO CLW

Impact of COVID-19
The COVID-19 pandemic has had a significant impact on the Australian and global economy and the ability of individuals, businesses, and governments to operate. Across Australia and the world, travel, trade, business, working arrangements and consumption have been materially impacted by the pandemic. In addition, events relating to COVID-19 have resulted in significant market falls and volatility, including in the prices of securities trading on the ASX. There remains considerable uncertainty as to the duration of and further impact of COVID-19 including (but not limited to) in relation to government, regulatory or health authority actions, employment schemes (including the Australian JobKeeper scheme), work stoppages, lockdowns, quarantines and travel restrictions, and on what affect such factors may have on the REIT, the REIT's tenants and suppliers, the Australian economy and securities markets. The impact of some or all of these factors could cause significant direct disruption to the REIT's operations and financial performance.

The extent to which COVID-19 related factors will have an impact on the REIT will, in large part, depend on the extent to which tenants of the REIT's properties are themselves adversely affected and able to pay rent to the REIT. The medium term prospects of such businesses, and in turn their ability to meet rental payments, is partially dependent on how and when local, state and federal government agencies decide to moderate current and future lockdown measures in light of COVID-19 (both generally and as they apply to CLW's tenants). Some businesses may also reassess their future workspace needs and an extensive work from home period may accelerate changes in the use and demand for some office space. Whether that translates to less shared workspaces, an increase in flexible work arrangements or a demand for more space to comply with physical distancing requirements is uncertain.

The severity of this risk is enhanced by the recent COVID-19 pandemic and government regulations implemented to mitigate the spread of the virus. Recently announced moratorium regulations and any further changes to legislation yet to be announced may adversely affect the REIT's ability to manage the performance of their tenants and may limit the REIT's availability to recourse for any tenants in default during the term of the regulations. The REIT has received limited requests for rent concessions from tenants as a result of COVID-19. These regulations may be extended for further time periods and / or expanded to provide relief to a broader range of tenants.
Given the high degree of uncertainty surrounding the extent and duration of COVID-19, it is not currently possible to assess the full impact of COVID-19 on the REIT's business. The extent of the impact on the REIT's business, results of operations, financial condition, liquidity and cash flows is dependent on future circumstances, including the scale of COVID-19 and actions taken to address its impact.

These factors are beyond the REIT's control and could have a material adverse effect on the overall business sentiment and environment, causing material uncertainties, cause the REIT's business to suffer in ways that cannot be predicted, and which may materially adversely impact the REIT's business, financial condition and results of operations.

Summary of key risks (cont.)

Tenants and Rental Income
Distributions made by the REIT are largely dependent on the rents received from tenants across the portfolio and expenses incurred during operations, which may be affected by a number of factors, including overall economic condition, the financial circumstances of tenants (as at the date of this Presentation and in the future), the ability to negotiate lease extensions or replace outgoing tenants with new tenants, the occurrence of rental arrears or any vacancy periods, reliance on a tenant which leases a material portion of the REIT's portfolio, an increase in unrecoverable outgoings, and supply and demand in the property market.

Australian Governments have introduced certain laws (and are expected to introduce other laws) which limit the rights of landlords to enforce certain rights under existing leases and in certain cases, mandating the provision of rent relief to tenants. These include the requirement to offer reductions in rent (as waivers or deferrals) based on a tenant's reduction in trade during the COVID-19 pandemic period. In some cases, the REIT's ability to manage tenant performance issues is limited by moratorium legislation restricting the ability of landlords to manage tenant performance impacted by COVID-19. These laws may be extended for further time periods and / or expanded to provide relief to a broader range of tenants.

Any negative impact on rental income (including as a result of a failure of existing tenants to perform existing leases in accordance with their terms, which is heightened in the current economic environment) has the potential to decrease the value of the REIT and the securities and have an adverse impact on distributions or the value of securities or both.

Re-leasing and vacancy risk
In the longer term, the REIT's portfolio leases will come up for renewal on a periodic basis. There is a risk that the REIT may not be able to negotiate suitable lease renewals with existing tenants, maintain existing lease terms, or replace outgoing tenants with new tenants, particularly in the current commercial real estate market. This may result in a reduction in the REIT's Operating Earnings and distributions and a reduction in the value of the assets of the REIT.

Foreign approval risk
On 10 September 2020, agreements were entered into by the REIT's investing entity with respect to the acquisition of the 50% interest in a portfolio of 70 long WALE NNN convenience retail properties in New Zealand (bp Portfolio). The bp Portfolio was acquired via a sale and leaseback to BP Oil New Zealand Limited. A condition precedent for the acquisition of the interest in the bp Portfolio was the receipt of all necessary consents given under the Overseas Investment Act 2005 from the New Zealand Overseas Investment Office by the REIT's investing entity. The REIT's investing entity has not yet received consent from the New Zealand Overseas Investment Office. Therefore, settlement of the acquisition of the bp Portfolio is subject to New Zealand Overseas Investment Office approval. If the bp Portfolio fails to complete or completion is delayed, the expected financial performance of the REIT could be adversely affected.

Co-ownership risk
The REIT holds a number of interests in its portfolios with its partners through joint co-ownership arrangements. Although in many cases, the REIT has control over or significant influence on the decision-making of these joint co-ownership arrangements, certain decisions require approval of all the directors or security holders of entities the REIT does not control. The co-operation among the partners of such entities on existing and future business decisions is an important factor for the sound operation and financial success of such businesses. The partners in these investments may have objectives different from those of the REIT, or be unable or unwilling to fulfil their obligations under the relevant joint co-ownership agreement. In order to minimise the risks associated with the development and operation of its joint co-ownership arrangements, the REIT seeks to enter into joint co-ownership arrangements with partners whom the REIT considers to be reputable, creditworthy and reliable and on terms favourable to the REIT. Although to date CLW has not experienced any significant disputes with its partners, disputes among co-ownership partners over co-ownership obligations or otherwise could have an adverse effect of the financial conditions or results of operations of these businesses.

Unrealised capital gains
As CLW is already established, there is a risk that unrealised capital gains exist within the portfolio. As such, the disposal of an existing property may crystallise a capital gain that will be distributed to investors and will need to be included in the calculation of the investor's taxable income. The impact of this will depend on a number of factors including the price and timing of the sale and the profile of the investor.

Property valuation risk
The value of each property held by the REIT, and those it may hold in the future, may fluctuate due to a number of factors affecting both the property market generally or the REIT's properties in particular. These factors may be exacerbated by the impact of COVID-19 and include, but are not limited to:

- changes in market rental rates;
- changes in property yields;
- fluctuating occupancy levels;
- tenants defaulting;
- supply and demand in the relevant property market;
- increased competition from new or existing properties;
- a downturn in the property market generally;
- pricing or competition policies of any competing properties or tenants; and
- general economic conditions, such as interest rates.

These factors may change for a variety of reasons including those set out above in respect of these particular risks. A reduction in the value of any property may adversely affect the value of securities in the REIT. It may also impact the REIT's financing arrangements (refer to Funding risk set out below).
Property values may fall if the underlying assumptions on which the property valuations outlined in this Presentation are based, change in the future. As changes in valuations of investment properties are recorded in the statutory income statement, any decreases in value will have a negative impact on the statutory income of the REIT.

Summary of key risks (cont.)

As property values fluctuate, so too may returns from property assets. Rental and occupancy levels may change as a result of changes in the property market and this may affect the distributions paid by the REIT and the market price of securities.

The REIT will have its properties independently revalued regularly in accordance with its valuation policy. The independent valuations of the properties are the best estimates of the independent valuers at the time of undertaking the valuation and may not reflect the actual price a property would realise if sold. The independent valuations are subject to a number of assumptions which may prove to be inaccurate.

Property liquidity
By their nature, investments in real property assets are illiquid investments, and there is a risk that should the REIT be required to realise property assets, it may not be able to do so in a short period of time, or may not be able to realise a property asset for the amount at which it has been valued. This may adversely affect the REIT's net tangible assets and the value of securities in the REIT.

Tenant concentration
The majority of the properties comprising the REIT's portfolio are single tenanted. This exposes the value and performance of each property to the ability of those tenants to continue to meet their obligations under the respective lease agreements. There is a risk that if one or more of the major tenants cease to be a tenant, the REIT may not be able to find replacement tenants on lease terms that are at least as favourable as the current terms. Should replacement tenants lease the property on less favourable terms this will adversely impact the returns and the overall performance of the REIT and value of the properties. The Responsible Entity of the REIT actively manages the tenant selection process to manage this risk.

Development risk
The REIT will focus on sustainable income returns and minimising development risk. The REIT will not undertake speculative development. Any development risk will be substantially mitigated through fixed price construction contracts, and undertaking pre-leasing activities relating to the development, both prior to and during, construction. The REIT will endeavour to achieve a level of pre-commitment appropriate to the project prior to commencing development activities.

No guarantee of distribution or capital return
No guarantee can be given as to the amount of any income or capital return from the securities or the performance of the REIT, nor can the repayment of capital from the REIT be guaranteed.

Management performance
The REIT will be reliant on the expertise, experience, and strategies of its executive directors and management of the Charter Hall Group. As a result, the loss or unavailability of key personnel at the Charter Hall Group could have an adverse impact on the management and financial performance of the REIT and therefore returns to securityholders.

Capital expenditure
The REIT will be responsible for capital expenditure that may arise.
There is a risk that the actual required capital expenditure may exceed currently expected expenditure which could lead to increased funding costs and impact distributions. Additionally, any requirement for unforeseen material capital expenditure on the properties could impact the performance of the REIT.

Acquisitions
The REIT will continue to identify new investment opportunities for potential acquisitions. The REIT will endeavour to conduct all reasonable and appropriate due diligence on potential investment opportunities.

There is a risk that the REIT will be unable to identify suitable investment opportunities that meet the REIT's investment objectives. Even if such opportunities are identified, they may not be able to be secured on appropriate terms. These factors may restrict the REIT's ability to add investments to its portfolio and this may adversely impact growth and returns to securityholders.

Reliance on third parties
The Responsible Entity may engage third party service providers in respect of a part or the whole of the REIT's portfolio, being the Charter Hall Group entities or third parties outside the Charter Hall Group. These services will be subject to contractual arrangements between the Responsible Entity and the relevant third parties.

A failure of third parties to discharge their agreed responsibilities may adversely affect the management and financial performance of the REIT and therefore also adversely impact returns to investors.

Conflicts
The REIT may engage Charter Hall Holdings Pty Limited, a wholly owned subsidiary of Charter Hall Limited, to provide property management and facilities management services in respect of various properties in the REIT. The Responsible Entity and Charter Hall Holdings Pty Limited also has two common Executive Director.

Summary of key risks (cont.)

This may create a conflict of interest. Related party transactions also carry a risk that they could be assessed and monitored less rigorously than transactions with unrelated third parties. The REIT will mitigate these risks through the conflicts of interest and related party policy that governs the way the REIT manages such conflicts or transactions.

Funding
The Responsible Entity may fund future refinancing, capital expenditure and acquisitions from either debt or equity markets. The REIT's ability to raise funds from either market on favourable terms is dependent on a number of factors including:

- the general economic and political climate;
- the state of debt and equity capital markets;
- the performance, reputation and financial strength of the REIT; and
- the value of the properties.

Changes to any of these or other factors could lead to an increased cost of funding, limited access to capital, increased refinancing risk for the REIT and / or an inability to expand operations or purchase assets in a manner that may benefit the REIT and its securityholders.

Extension and refinancing
The REIT's ability to refinance or repay its debts as they fall due will be impacted by market conditions, the financial status of the REIT, the value of the REIT's properties, and prevailing economic conditions, including interest rates, at the time of maturity or refinancing. There is a risk that the REIT may not be able to extend or refinance its debts before maturity. Possible increases in the interest rate, the cost of interest rate hedges and the level of financial covenants required by lenders may also adversely impact the operating and financial performance of the REIT, the distributions of the REIT and the REIT's ability to raise equity and / or enter into new debt facilities.

In these circumstances, the REIT may need to raise further equity, dispose of assets for a lower market value than could otherwise have been realised, or enter into new debt facilities on less favourable terms.

There is also a risk that the REIT may be unable to hedge future borrowings to mitigate future interest rate risk, or that the terms of such hedging are less favourable than the existing terms.

Debt facility undertakings and covenants
The REIT is subject to a number of undertakings and covenants under existing debt facilities, including in relation to gearing ratio and interest cover ratios. An event of default would occur if the REIT fails to maintain these financial covenants. This may be caused by amongst other factors, unfavourable movements in interest rates (to that extent interest rates are not hedged) or deterioration in the income or the value of the REIT's portfolio, which may be exacerbated by the impact of COVID-19. In the event that an event of default occurs, the lender may require immediate repayment of a debt facility. The REIT may need to dispose of some or all of its properties for less than their book value, raise additional equity, or reduce or suspend distributions in order to repay a debt facility.

Gearing
The level of gearing exposes the REIT to any changes in interest rates and increases the REIT's exposure to movements in the value of the REIT's portfolio or performance measures. Higher gearing will increase the effect. If the level of gearing increases over the term of the REIT's debt financing, this may create refinancing risk on the REIT's debts as it approaches expiry.

Interest rates
To the extent that interest rates are not hedged, unfavourable movements in interest rates relating to existing debt facilities could lead to increased interest expense. This could impact the level of distributions available to securityholders.

Derivatives
The REIT will use derivative instruments to hedge the REIT's exposure to interest rates and currency exposure. The market-to-market valuation of derivative instruments could change quickly and significantly. Such movements may have an adverse effect on the financial performance and financial position of the REIT.

In entering into derivative contracts, the REIT will be exposed to the risk that a party to the contract become insolvent or otherwise default on its contractual obligations. The Responsible Entity will seek to manage this risk by only entering into hedging arrangements with reputable counterparties.

Insurance
Insurance coverage is maintained in respect of each property (including insurance for destruction or damage to the property and public risk liability) where that coverage is available on commercial terms. Insurance coverage will include differing levels of cover for material loss or damage items such as accidental damage, flood and demolition and removal of debris. Some risks are not able to be insured at acceptable premiums. Examples of losses that are generally not insured against include war or acts of terrorism and natural phenomena such as earthquakes or hurricanes.

Any losses incurred due to uninsured risks, or loss in excess of the insured amounts, may adversely affect the performance of the REIT, and could lead to a loss of some of the capital invested by the REIT. Increases in insurance premiums may affect the performance of the REIT to the extent they are not recoverable from the tenant under their leases. Any failure by the company or companies providing insurance (or any reinsurance) may adversely affect the REIT's right of recovery under its insurance.

Summary of key risks (cont.)

Insolvency
In the event of any liquidation or winding up of the REIT, the claims of the REIT's creditors, including any counterparty under any hedging or other derivative arrangements, will rank ahead of those of its securityholders. Under such circumstances the REIT will first repay or discharge all claims of its creditors. Any surplus assets will then be distributed to the REIT's securityholders. All securityholders will rank equally in their claim and will be entitled to an equal security per security.

Compliance
The REIT is a managed investment scheme which means that the Responsible Entity is subject to strict regulatory and compliance arrangements under the Corporations Act and its Australian Financial Services Licence. If the Responsible Entity fails to comply with the conditions of its Australian Financial Services Licence, then ASIC may take action to suspend or revoke the licence, which in turn could adversely impact the REIT.

Forecast financial information
The forward looking statements, opinions and estimates provided in the Presentation, including any forecast financial information provided, rely on various contingencies and assumptions. Various factors and risks, both known and unknown, many of which are outside the control of the REIT, may impact upon the performance of the REIT and cause actual performance to vary significantly from expected results. There can be no guarantee that the REIT will achieve its stated objectives or that forward looking statements or forecasts will eventuate.

Environmental issues and contamination
As with any property, there is a risk that one or more of the properties in the REIT's portfolio may be contaminated now or in the future. Government environmental authorities may require such contamination be remediated. There is always a residual risk that the REIT may be required to undertake any such remediation at its own cost. Such an event would adversely impact the REIT's financial performance. Environmental laws impose penalties for environmental damage and contamination which can be material in size.

In addition, if any remediation required to be undertaken on a property is not completed properly, this may adversely affect the REIT's ability to sell the relevant property or to use it as collateral for future borrowings. Should new or more stringent environmental laws or regulations be introduced in the future, any remediation costs required to be incurred by the REIT may increase materially in order to comply with the new laws or regulations.

Exposure to hazardous substance at a property within the REIT's portfolio could result in personal injury claims. Such a claim could prove greater than the value of the contaminated property. An environmental issue may also result in interruptions to the operations of a property, including the closure or re-lease of the property.

Occupational health and safety
There is a risk that liability arising from occupational health and safety matters at a property may be attributable to the REIT as the landlord instead of, or as well as, the tenant. To the extent that any liabilities may be borne by the REIT, this may impact the financial performance of the REIT (to the extent not covered by insurance). In addition, penalties may be imposed upon the REIT which may have an adverse impact on the REIT.

Disputes and litigation
The REIT may in the ordinary course of business be involved in possible litigation and disputes (for example, tenancy disputes, occupational health and safety claims or third party claims). Whilst the extent of any disputes and litigation cannot be ascertained at this time, any dispute or litigation may be costly and may adversely affect the operational and financial results of the REIT.

Pre-emptive rights and other risks associated with joint-ownership agreements
The joint-ownership agreements to which the REIT (or a sub-trust of the REIT) is a party, contain pre-emptive rights which restrict the REIT’s dealings in respect of its interest in the co-owned trust or the co-owned property. In particular, where the REIT wishes to deal with its interests in a co-owned trust or property, each other co-owner will have a pre-emptive right over the REIT’s interests, other than in limited circumstances (for example, by way of a permitted transfer to a member of the REIT’s unitholder or owner group).

A number of joint-ownership agreements also contain:
- tag-along options, pursuant to which the REIT may be required to take reasonable steps, if it wishes to sell its interest in a co-owned trust or co-owned property, to cause one or more of the other co-owners’ interests to be acquired on substantively the same terms;
- drag along rights, pursuant to which a co-owner may require the REIT to sell its interests in a co-owned trust if the co-owner wishes to sell its interest and the REIT has not exercised its pre-emptive; and
- provisions under which a default sale process may be triggered on a change of control event, including where the Responsible Entity is replaced with an entity that is not a related body corporate of the Responsible Entity, with the default sale process giving the other co-owners a right to acquire the REIT’s interests at the relevant default interest value.

Additionally, disputes may arise between co-owners and where a dispute cannot be resolved, a number of joint- ownership agreements provide for the sale of the relevant property in circumstances where a co-owner does not acquire the other co-owners’ interests.

Accounting standards
The Australian Accounting Standards to which the REIT adheres are set by the Australian Accounting Standards Board (AASB) and are consequently out of the control of the REIT and the Directors. Changes to accounting standards issued by AASB or changes to the commonly held views on the application of those

Summary of key risks (cont.)

standards could materially adversely affect the financial performance and position reported in the REIT's financial statements.

Operator risk
While the REIT is not an operator of any of the properties in the REIT’s portfolio, the valuation and yield of these assets could be materially adversely affected by a number of operational risks of the tenants of those properties, including competition and regulation of operators. In particular, the REIT may be affected by:

- in the case of the properties in the Long Wale Investment Partnership, increased competition in the pub, gaming, retail liquor markets and other specialty stores in the regions of Australia in which its tenants operate and changes in legislation and government policies that regulate liquor and gaming venues or liquor or gaming laws; and
- in the case of the Australian and NZ bp Portfolios, by increased competition in the fuel retailing industry, changes in legislation and government policies that regulate fuel and retailing, and changes in the nature of vehicle transport including the uptake of electric and autonomous vehicles.

A deterioration in an operator’s financial strength and stability or a deterioration of in the operator’s business or in the prospects of the operator’s industry generally could materially impact the REIT’s results of operations, the value of its properties and its stapled securities.

GENERAL MARKET RISKS
There are risks associated with any stock market investment. These include, but are not limited to:

- Dilution risk – as the REIT issues securities to new investors, existing securityholders’ proportional beneficial ownership in the underlying assets of the REIT may be reduced. For example, if you do not participate in a future equity raising or choose not to reinvest your distributions pursuant to any future distribution reinvestment plan, then your beneficial ownership in the REIT may be diluted.
- Pricing risk – securities may trade on the ASX at, above or below the Placement Issue Price or net tangible asset amount per security. The price of the securities can fall as well as rise. The price at which securities trade on the ASX may be affected by a range of factors including: movements and volatility in international and local share markets; general economic conditions in Australia and offshore including inflation, interest rates and exchange rates; recommendations by brokers; changes in government, fiscal, monetary and regulatory policies; changes to laws (particularly taxation laws); inclusion or removal from market indices; and changes in the supply and demand of listed property securities. Changes in the stock market rating of securities relative to other listed securities, especially other listed property trusts, may also affect prices at which securities trade.
- Liquidity risk – there can be no assurance of an active trading market for the securities. Liquidity of the securities will be dependent on the relative volume of the buyers and sellers in the market at any given time. Changes in liquidity may affect the price at which securityholders are able to sell their securities. Significant blocks of securities held by individual investors may reduce liquidity in the trading of securities.

Macro-economic
Changes in the general economic outlook both in Australia and globally may impact the performance of the REIT and its portfolio (see also the “Impact of COVID-19” section above).
Examples include (whether individually or in combination):

- changes in economic conditions and outlook in Australia and internationally;
- changes in Australian government, industrial, fiscal, monetary. regulatory policies or changes to laws (e.g. taxation laws);
- changes in interest rates, exchange rates or rates of inflation;
- investor sentiment for particular sectors and real estate sectors over the economic cycle;
- the impact of international conflicts or acts of terrorism;
- performance of comparable listed entities and projects;
- changes in the general level of prices in local and international share markets and general investor sentiment in these markets; and
- significant industrial, contractual or political disturbances impacting the REIT or the continuity of its business.

Consequently the trading price of securities may be influenced by factors non-specific to the REIT and out of the REIT's ability to control.

No assurances can be made that the performance of the securities will not be adversely affected by such market fluctuations or factors. Neither the REIT or the Directors or any other person guarantees the performance of the securities.

Changes in laws, regulation and policy
Changes in laws, regulations and government policy may affect the REIT or the tenants and the attractiveness of an investment in the REIT. Further, the impact of actions by governments may affect the REIT's activities including such matters as compliance with environmental regulations and taxation.

Tax
The REIT’s Operating Earnings may be affected by changes in taxation law, including changes in income tax, GST or stamp duty legislation, particularly if they relate to property investment. Taxation law may change as a result of legislation, case law in Australia, rulings and determinations issued by the Australian Commissioner of Taxation or other practices of tax authorities. The tax treatment of distributions in the hands of the REIT’s securityholders may also be affected by changes to the tax regime applicable to the REIT, or the REIT's ability to make tax deferred distributions. Tax considerations may differ between investors, therefore prospective investors are encouraged to seek professional tax advice in connection with any investment in securities.

Offshore investors in managed investment trusts are governed by particular taxation rules. An offshore investor should obtain their own taxation advice in relation to those rules.

Appendix C

C

76-78 Pitt Street, Sydney

International Offer Restrictions

This document does not constitute an offer of new stapled securities ("New Securities") of CLW in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Securities may not be offered or sold, in any country outside Australia except to the extent permitted below.

Hong Kong

WARNING: This document has not been, and will not be, authorized by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorize this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Securities have not been and will not be offered or sold in Hong Kong other than to “professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the New Securities has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the New Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the SFO and any rules made under that ordinance.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand) (the "FMC Act"). The New Securities are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore ("MAS") and, accordingly, statutory liability under the Securities and Futures Act, Chapter 289 (the "SFA") in relation to the content of prospectuses does not apply, and you should consider carefully whether the investment is suitable for you. The issuer is not authorised or recognised by the MAS and the New Securities are not allowed to be offered to the retail public. This document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the New Securities may not be circulated or distributed, nor may the New Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except to "institutional investors" (as defined in the SFA), or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an "institutional investor" (as defined under the SFA). In the event that you are not an institutional investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Securities being subsequently offered for sale to any other party. You are advised to acquaint yourself with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

International Offer Restrictions (cont.)

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Securities.

This document is issued on a confidential basis to "professional investors" (within the meaning of the Alternative Investment Fund Managers Directive) who are also "qualified investors" (within the meaning of Article 2(e) of the Prospectus Regulation (2017/1129/EU), replacing section 86(7) of the FSMA) in the United Kingdom. The New Securities may not be offered or sold in the United Kingdom by means of this document or any other document except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Securities has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to CLW.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

The New Securities are being marketed in the United Kingdom in compliance with the National Private Placement Regime (within the meaning of The Alternative Investment Fund Managers Regulations 2013). CLW's most recent annual financial report and other information it has lodged with the Australian Securities Exchange can be found on the websites of CLW and the ASX.

United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Securities have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Securities may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

The New Securities will only be offered and sold in the United States to:

- “qualified institutional buyers” (as defined in Rule 144A under the US Securities Act); and
- dealers or other professional fiduciaries organized or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons and for which they exercise investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act.

Netherlands

This document has not been, and will not be, registered with or approved by any securities regulator in the Netherlands or elsewhere in the European Union. Accordingly, this document may not be made available, nor may the New Securities be offered for sale, in the Netherlands except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Securities in the Netherlands is limited to persons who are “qualified investors” (as defined in Article 2(e) of the Prospectus Regulation).

In addition, an offer of New Securities in the Netherlands will be limited to persons who are “professional investors” (as defined in the Alternative Investment Fund Managers Directive (Directive 2011/61/EU), as implemented in the Netherlands).

Appendix D

D

Underwriting arrangement

J.P. Morgan Securities Australia Limited, Morgan Stanley Australia Securities Limited and UBS AG, Australia Branch will be acting as joint bookrunners, joint lead managers and several underwriters of the Placement (**Underwriters**). The Responsible Entity has entered into an Underwriting Agreement with the Underwriters in respect of the Placement.

The Underwriting Agreement contains representations and warranties and indemnities in favour of the Underwriters. Each Underwriter may also, in certain circumstances, terminate its obligations under the Underwriting Agreement on the occurrence of certain termination events including where:

- any of the material obligations of the relevant parties under the agreements for the Acquisitions (**Acquisition Agreements**) are not capable of being performed in accordance with their terms (in the reasonable opinion of the Underwriters) or if all or any part of any Acquisition Agreement:
  - i. is amended or varied in a material respect without the consent of the Underwriters;
  - ii. is terminated or rescinded;
  - iii. is materially breached;
  - iv. ceases to have effect, otherwise than in accordance with its terms; or
  - v. is or becomes void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights) or capable of being terminated, rescinded or avoided by the relevant vendor, or its performance is or becomes illegal;
- a certificate which is required to be furnished under the Underwriting Agreement is not furnished by the time specified;
- a statement in any of the Placement documents or public information is or becomes misleading or deceptive in a material respect or is likely to mislead or deceive in a material respect (including by omission);
- CLW withdraws the Placement;
- an application is made by ASIC for an order under Part 9.5 in relation to the Placement or the Placement documents or ASIC commences any investigation or hearing under Part 3 of the Australian Securities and Investments Commission Act 2001 (Cth), and in each case is not withdrawn within 2 business days after it is made or commenced or within 2 business days of a settlement date for the Placement, before that date;
- ASX announces that the REIT will be removed from the official list or that any Securities will be delisted or suspended from quotation by ASX;
- a Director of the Responsible Entity is charged with an indictable offence or is disqualified from managing a corporation under the Corporations Act;
- any government agency commences any public action against a Director of CLW in their capacity as a Director of the Responsible Entity (or the Charter Hall Limited) or announces that it intends to take any such action;
- CLW or a material member of the REIT group is insolvent or there is an act or omission which may result in such party becoming insolvent;
- unconditional approval (or conditional approval, provided such condition would not have a material adverse effect on the success or settlement of the Placement) by the ASX for official quotation of the CLW Securities is refused, or is not granted, or is withdrawn or ASX makes, in writing, an official statement to any person or indicates to CLW or the Underwriters that official quotation of the CLW Securities will not be granted;
- the Responsible Entity ceases to be the responsible entity of CLW;
- there are delays in the timetable for the Placement causing settlement of the Placement to be delayed by more than 1 business day;

Underwriting arrangement (cont.)

- any statement in a certificate to be provided under the Underwriting Agreement is false, misleading or deceptive;
- any information supplied by or on behalf of CLW to the Underwriters in final form is or becomes misleading or deceptive in a material respect, including by way of omission;
- hostilities not presently existing commence (whether war has been declared or not) or an escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, Hong Kong, New Zealand, Singapore, the United Kingdom, any member state of the European Union or the United States, or a major terrorist act is perpetrated on any of those countries;
- there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State of Australia, or any Federal or State authority of Australia adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of the Underwriting Agreement), any of which does or is likely to prohibit or adversely regulate the Placement;
- a contravention by CLW or a CLW group member of the Corporations Act, any of their respective constitutions, the ASX Listing Rules or any other applicable law;
- CLW fails to perform or observe any of its obligations under the Underwriting Agreement and such breach is not remedied within the time limits specified;
- a representation or warranty made or given by CLW under the Underwriting Agreement proves to be, or has been, or becomes, untrue or incorrect;
- a general moratorium on commercial banking activities in Australia, Hong Kong, Singapore or the United States is declared by the relevant central banking authority in those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries, in any such case continuing for 1 full trading day or more;
- trading in all securities quoted or listed on ASX, the New York Stock Exchange, the London Stock Exchange or the Hong Kong Stock Exchange is suspended or limited in a material respect for at least 1 day on which that exchange is open for trading;
- a change in the fund manager of CLW or in the board of directors of CLW is announced or occurs;
- in the reasonable opinion of the Underwriters, a new circumstance arises that would have been required to be disclosed in the Placement documents had it arisen before the Placement documents were lodged with ASX; or
- there is an application to a government agency for an order, declaration or other remedy, or a government agency commences any investigation or hearing or announces its intention to do so, in each case in connection with the Placement (or any part of it or any agreement entered into in respect of the Placement (or any part of it).

If an Underwriter terminates its obligations under the Underwriting Agreement, the Underwriter will not be obliged to perform any of their obligations which remain to be performed.

Neither the Underwriters nor any of their respective related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives, agents or advisers (the **Limited Parties**) have authorised or caused the issue of this Presentation and they do not take responsibility for any statements made in this Presentation or any action taken by you on the basis of such information. To the maximum extent permitted by law, each Limited Party disclaims all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Placement and this information being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. None of the Limited Parties make any recommendations as to whether you or your related parties should participate in the Placement, nor do they make any representations or warranties to you concerning this Placement or any such information and you represent, warrant and agree that you have not relied on any statements made by the Underwriters or any of their respective related bodies corporate and affiliates or any of their respective directors, officers, partners, employees, representatives or agents in relation to the CLW Securities or the Placement generally.

Appendix E

E

The Parap Tavern, Darwin

Glossary

ASX	Australian Securities Exchange
Balance sheet gearing	Calculated as the ratio of net drawn debt (excluding unamortised debt establishment costs) to total tangible assets, less cash
Cap rate	The return of a property or portfolio of properties calculated by dividing the market level of Net Operating Income of that property or portfolio by the assessed Independent Valuation of that property or portfolio.
CLW or the REIT	Charter Hall Long WALE REIT
DPS	Distributions per security
DRP	Dividend reinvestment plan
OEPS	Operating earnings per security
Look-through gearing	Calculated as the ratio of net drawn debt (excluding unamortised debt establishment costs) to total tangible assets, less cash, based on the non-IFRS pro forma proportionately consolidated statement of financial position, which adjusts for the REIT's share of the debt, assets and cash held in equity accounted investments
NNN	Triple net lease
NTA	Net tangible assets
REIT	Real estate investment trust
SPP	Security purchase plan
WACR	The average capitalisation rate across the portfolio or group of properties, weighted by independent valuation
WALE	The average lease term remaining to expiry across the portfolio or a property or group of properties, weighted by net passing income or as noted
WARR	The average rent review across the portfolio or a property or group of properties, weighted by net passing income

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