



Charter Hall Office Management Limited

ABN 75 006 765 206

AFS Licence No. 247075

as responsible entity of

Charter Hall Office REIT

ASX/MEDIA ANNOUNCEMENT

CONSORTIUM OFFER TO ACQUIRE CQO UNITS

Tuesday, 3 January 2012

Consortium Proposal

The Independent Director Committee (IDC) of Charter Hall Office Management Limited (CHOML), the responsible entity of Charter Hall Office REIT (ASX:CQO) (CQO), provides the following update.

CHOML has entered into a binding Scheme Implementation Agreement (SIA) with Reco Ambrosia Pte Ltd (an affiliate of Government of Singapore Investment Corporation Pte Ltd), the Public Sector Pension Investment Board of Canada (PSP) and a member of the Charter Hall Group (ASX:CHC) (CHC) (collectively known as the Consortium), in relation to a proposed trust scheme (Scheme) under which the Consortium will acquire all the units in CQO except certain of those held by the members of the Consortium or their associates (Proposal).

Under the Proposal, CQO unitholders other than the Consortium members and their associates¹ (Eligible Unitholders) will receive \$2.49 per CQO unit in respect of the Australian assets (Offer), via a combination of a cash payment and special distributions to be made on the implementation date for the Scheme (Implementation Date).

In addition, CQO unitholders will receive one or more distributions of net proceeds from the sale of the US assets and any accrued earnings from the US assets from 1 January 2012 (collectively, US Sale Proceeds) prior to the Implementation Date, subject to certain amounts being withheld to meet contingent liabilities predominantly related to CQO's offshore subsidiaries. Any US Sale Proceeds received after the Implementation Date and amounts released after payment of crystallised contingent liabilities (if any) will be paid to Eligible Unitholders by an escrow agent appointed under the SIA (Scheme Contingent Consideration).

¹ Other than PSP in respect of part of its holding of CQO units.



As previously advised, the Offer is a \$0.10 per unit increase over the Consortium's initial approach in August 2011 and reflects a discount of 4.2% to the pro forma estimated Australian NTA of \$2.60² or a 2.8% discount to the pro forma estimated gross Australian assets.

Unanimous recommendation of the IDC

The members of the IDC have unanimously recommended the Proposal and intend to vote their CQO units in favour of the Scheme, in each case subject to a superior proposal not being made and to the Independent Expert finding the Proposal to be in the best interests of Eligible Unitholders.

Roger Davis, the independent Chairman of CHOML, said: "After exploring a range of strategic options to maximise CQO unitholder value and following this comprehensive process, the IDC has concluded that the Consortium's Proposal offers the most compelling and certain value proposition currently available to Eligible Unitholders. The IDC, through negotiations with the Consortium, was able to improve the original bid which was at a 9.1% discount to NTA, to the current bid which is at a 4.2% discount to NTA."

The IDC is being advised by Merrill Lynch International (Australia) Limited and Gilbert + Tobin.

Scheme conditions and indicative timetable

The Scheme is expected to be implemented by the end of March 2012, however, it is conditional on a number of matters set out in the SIA, including the completion of the US asset sale process. Although all US asset sales are expected to have settled prior to the end of March 2012, there is a risk that settlement of one or more sales may be delayed³.

The SIA includes provisions customary for a transaction of this nature, including exclusivity arrangements and provisions for payment of a break fee of \$11 million to the Consortium in certain circumstances.

It is expected that Eligible Unitholders will receive a scheme booklet in mid-February which will include a more detailed explanation of the Proposal, including the manner in which any Scheme Contingent Consideration would be paid, along with a copy of an independent expert's report. A meeting of Eligible Unitholders (Meeting) is expected to be held in mid-March to consider the Proposal, with implementation scheduled to occur by the end of March 2012. In order for the Proposal to be implemented, Eligible

² In accordance with CQO's ASX announcement on 5 December 2011.

³ The closing of the sale of each US property (or CQO's interest in each property) is subject to customary closing conditions, some of which are beyond CQO's control, including receipt of lender consents and other third party consents.

Unitholders representing at least 75% of the units voted at the Meeting (in person or by proxy) must be in favour of the Proposal.⁴

An indicative timetable for the Scheme is set out in Annexure A and a copy of the SIA is attached in Annexure C.

Update on the US Sale Process

CHOML is expecting to make distributions from net proceeds from the sale of the US assets and any accrued earnings from the US assets from 1 January 2012 up to the Implementation Date. Under the SIA, CHOML is required to withhold amounts of US Sale Proceeds to allow for, among other things, contingent liabilities identified prior to the Implementation Date, predominantly related to CQO's offshore subsidiaries.

Accordingly, some US Sale Proceeds will not be available for distribution until after the Implementation Date. Under the SIA, Eligible Unitholders will be entitled to receive the proportion of the US Sale Proceeds due to Eligible Unitholders not distributed on or before the Implementation Date (subject to deductions to meet liabilities relating to CQO's offshore entities). This entitlement will take the form of the right to receive Scheme Contingent Consideration.

Payments of Scheme Contingent Consideration are expected to be made to Eligible Unitholders when funds are available for distribution, based upon:

- receipt of all proceeds from the sale of the US assets;
- determination or settlement of any claims in respect of CQO's offshore entities, including any warranty claims relating to the sale of the US assets; and
- payment of all liabilities in respect of the sale of the US assets.

The first such payment is expected to be made by the escrow agent approximately 6 months after the Implementation Date.

⁴ While PSP is an Eligible Unitholder in respect of part of its holding of CQO units it will not be eligible to vote any of its CQO units at the Meeting.



US hedging update

CHOML announced on 27 September 2011 that it had entered into a foreign exchange hedging program for US\$250 million of the US\$575 million of expected net proceeds from the US Sale Process⁵. This programme has recently been increased to US\$350 million at zero cost. The programme now matures across January and February 2012, with the average A\$/US\$ "Ceiling" rate reduced from 1.032 to 1.029, and the average "Floor" rate increased from 0.800 to 0.819.

Under the programme, if the exchange rate is above an average rate of A\$/US\$1.029 at the maturity of the hedging agreements, US\$350 million can be repatriated at A\$/US\$1.029 ("Ceiling"). Similarly, if the rate falls lower than an average rate of A\$/US\$0.819 at the maturity of the various agreements, the US\$350 million will be repatriated at A\$/US\$0.819 ("Floor"). If the A\$/US\$ rate at maturity is between the Floor and the Ceiling, the proceeds can be repatriated at the prevailing spot rate.

The programme mitigates exposure to volatile exchange rates while at the same time provides a benefit should the prevailing spot rate be more favourable.

Summary of payments to CQO unitholders

Eligible Unitholders, as at the Record Date, will receive a number of cash payments in connection with the US asset sale process and the Proposal. In summary, they will receive:

- \$2.49 per CQO unit, comprising a cash payment of approximately \$1.83 per unit from the Consortium and a special distribution of approximately \$0.66 per CQO unit from CHOML (to be majority funded via a new CQO debt facility at the expense of the Consortium), paid on the Implementation Date; and
- One or more special distributions of the proportion of US Sales Proceeds due to Eligible Unitholders, declared prior to the Implementation Date; and
- Payments of Scheme Contingent Consideration in accordance with the terms of the SIA, to be made after the Implementation Date.

⁵ For full details refer to CQO's ASX announcement on 3 August 2011.

Distribution for the half year ending 31 December 2011

On or about 23 February 2012, CQO unitholders will receive a distribution for the half year ending 31 December 2011 of 11.0 cents per unit, as announced on 16 December 2011. This distribution includes 7.2 cents per unit from CQO's Australian operations and 3.8 cents per unit from CQO's US operations.

Asset revaluations as at 31 December 2011

All 17 of CQO's Australian operating assets were externally valued on 31 December 2011 representing 100% of the Australian portfolio, other than 171 Collins Street, Melbourne, which is valued at cost to 31 October 2011. The valuations reflected a \$1.64 million, or 0.1% increase in value, from the 30 June 2011 book value, to \$1.84 billion.

Across the portfolio, discount rates have increased by 5 basis points to an average of 9.31%, while market capitalisation rates have reduced by 5 basis points to an average of 7.79%, largely a result of an average 32 basis point compression in the prime Sydney assets of 1 Martin Place and 2 Park Street.

The table below summarises the valuation results with details of individual valuations contained in Annexure B:

December 2011 Valuation Summary	Australia
Total Valuations	
Dec 11 valuation A\$m	\$1,844m
Jun 11 valuation A\$m ⁶	\$1,843m
Aggregate movement in value A\$m	\$1.64m
Variance over Jun 11 value %	0.09%
Average cap rates – Dec 11	7.79%
Average cap rates – Jun 11	7.84%
Average cap rates - movement (bps)	-5

⁶ Jun 11 valuations exclude NCR House which was valued as part of the portfolio at 30 Jun 11 but has since been sold.



For further information please contact:

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About Charter Hall Office REIT

Charter Hall Office REIT is a leading listed real estate investment trust focused on investing in high grade office buildings predominantly located in major business districts across Australia and the United States (the US portfolio is under contract for sale). A customer focused approach to asset management drives the leasing and refurbishment initiatives with a view to maximising returns of the underlying assets.

Charter Hall Office REIT is managed by Charter Hall Group (ASX:CHC) is one of Australia's leading fully integrated property groups, with 20 years' experience managing high quality property on behalf of institutional, wholesale and retail clients. Charter Hall has over \$10 billion of funds under management across the office, retail, industrial and residential sectors. The Group has offices in Sydney, Melbourne, Brisbane, Adelaide, Perth, Warsaw and Chicago.

The Group's success is underpinned by a highly skilled and motivated team with diverse expertise across property sectors and risk-return profiles. Sustainability is a key element of its business approach and by ensuring its actions are commercially sound and make a difference to its people, customers and the environment, Charter Hall can make a positive impact for its investors, the community and the Group.

For further information on Charter Hall Group and Charter Hall Office REIT go to www.charterhall.com.au



Annexure A – indicative Scheme timetable

Event	Date
Lodge Scheme Booklet and Independent Expert's Report with ASIC	Friday, 27 January 2012
First Judicial Advice Date	Friday, 10 February 2012
Despatch Scheme Booklet	Tuesday, 14 February 2012
Scheme Meeting	Thursday, 15 March 2012
Second Judicial Advice Date	Friday, 16 March 2012
Effective Date	Friday, 16 March 2012
Record Date	Friday, 23 March 2012
Implementation Date	Friday, 30 March 2012

The SIA provides mechanisms where the scheme could be delayed from 30 March 2012 up to and including 31 May 2012, including as a result of a delay in the US Sale Process. CQO unitholders will be liable for any increased debt costs to the Consortium as a result of this delay, however will receive the benefit of accrued distributions from 1 April 2012. If the Scheme is not finalised by 31 May 2012, the Scheme may be terminated, unless agreed to be extended.



Annexure B – external valuations

Property	Jun 11 value	Dec 11 value	Mov't	Mov't	Internal rate of return %		Market Capitalisation Rate %	
	\$m (AUD)	\$m (AUD)	\$m (AUD)	%	Jun-11 Book val	Dec-11 Ext val	Jun-11 Book val ⁷	Dec-11 Ext val
2 Park St, Sydney	\$370.20	\$360.00	-\$10.20	-2.76%	8.80%	9.00%	7.20%	6.80%
1 Martin Place, Sydney	\$232.50	\$225.00	-\$7.50	-3.23%	9.00%	9.00%	6.90%	6.70%
2 Market Street, Sydney	\$171.00	\$171.00	\$0.00	0.00%	9.00%	9.00%	7.00%	7.00%
59 Goulburn Street, Sydney	\$89.20	\$88.50	-\$0.70	-0.78%	9.50%	9.50%	8.00%	8.50%
The Denison, North Sydney	\$80.50	\$79.00	-\$1.50	-1.86%	9.50%	9.75%	8.50%	8.50%
Charter Grove, St Leonards	\$82.50	\$82.50	\$0.00	0.00%	9.50%	9.75%	9.00%	9.00%
Avaya House, North Ryde	\$72.00	\$74.00	\$2.00	2.78%	9.30%	9.25%	8.25%	8.40%
Wentworth Place, Parramatta	\$25.50	\$23.25	-\$2.25	-8.82%	10.25%	10.00%	9.25%	9.40%
ATO Newcastle	\$50.00	\$50.00	\$0.00	0.00%	10.00%	10.00%	10.25%	10.40%
Argus Centre, Melbourne	\$130.00	\$137.00	\$7.00	5.38%	9.50%	9.50%	7.25%	7.50%
150 Lonsdale St, Melbourne	\$130.00	\$131.00	\$1.00	0.77%	9.25%	9.25%	8.25%	8.00%
5 Queens Rd, Melbourne	\$65.00	\$65.00	\$0.00	0.00%	9.75%	9.25%	8.50%	8.75%
ATO Moonee Ponds, Melbourne	\$77.20	\$77.40	\$0.20	0.26%	9.75%	9.75%	8.50%	8.50%
175 Eagle Street , Brisbane	\$115.00	\$119.00	\$4.00	3.48%	9.25%	9.25%	8.25%	8.25%
Capital Hill, Brisbane	\$49.40	\$51.00	\$1.60	3.24%	9.25%	9.25%	8.50%	8.50%
Australia Place, Canberra	\$29.00	\$26.50	-\$2.50	-8.62%	10.25%	10.00%	9.25%	9.50%
Eastpoint Plaza, Perth	\$52.00	\$58.00	\$6.00	11.54%	9.75%	10.00%	9.00%	9.00%
171 Collins Street, Melbourne ⁸	\$21.80	\$26.30	\$4.50					
Total	\$1,842.80	\$1,844.4	\$1.64	0.09%	9.26%	9.31%	7.84%	7.79%

⁷ Approximately 60% of the Australian portfolio was externally valued at 30 June 2011.

⁸ Valuation movements reflect capital expenditure whilst under construction.



Annexure C – Scheme Implementation Agreement

Scheme implementation agreement

Charter Hall Office Management Limited in its capacity as responsible entity of Charter Hall Office REIT

Reco Ambrosia Pte Ltd

Public Sector Pension Investment Board

Charter Hall Funds Management Limited in its capacity as responsible entity of the Charter Hall Property Trust

Charter Hall Funds Management Limited in its personal capacity

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Parties

- 1 **Charter Hall Office Management Limited ACN 006 765 206 (CHOML) in its capacity as responsible entity of Charter Hall Office REIT ARSN 093 016 838** of Level 11, 333 George Street, Sydney, New South Wales, 2000 (**CQO**).
(Unless expressly stated otherwise, references to “CHOML” in this agreement are to CHOML in its capacity as responsible entity of CQO.)
 - 2 **Reco Ambrosia Pte Ltd** of 168 Robinson Road, #37-01, Capital Tower, Singapore 068912 (**Reco**).
 - 3 **Public Sector Pension Investment Board** of 1250, Rene-Levesque Blvd West, Suite 900, Montreal, Quebec, Canada H3B 4W8 (**PSP**).
 - 4 **Charter Hall Funds Management Limited ABN 31 082 991 786 in its capacity as responsible entity of the Charter Hall Property Trust ARSN 113 339 147** of Level 11, 333 George Street, Sydney, New South Wales, 2000 (**CHPT**).
(Each of Reco, PSP and CHPT is referred to in this agreement as a **Bidder**, and they are collectively referred to as the **Bidders**.)
 - 5 **Charter Hall Funds Management Limited ABN 31 082 991 786 in its personal capacity** of Level 11, 333 George Street, Sydney, New South Wales, 2000 (**Charter Hall**).
-

Background

- A The Bidders propose to acquire all the Scheme Units by way of the Scheme.
- B CHOML has agreed to propose the Scheme and to issue the Scheme Booklet, and the Bidders and CHOML (each a **Party** and together the **Parties**) have agreed to implement the Scheme on and subject to the terms and conditions of this agreement.
- C The Escrow Agent will be appointed to act as escrow agent in respect of the Escrow Account.

The parties agree

1 Defined terms and interpretation

1.1 Definitions in the Dictionary

A term or expression starting with a capital letter:

- (a) which is defined in the dictionary in Schedule 1 (**Dictionary**), has the meaning given to it in the Dictionary; and
- (b) which is defined in the Corporations Act, but is not defined in the Dictionary, has the meaning given to it in the Corporations Act.

1.2 Interpretation

The interpretation clause in Schedule 1 sets out rules of interpretation for this agreement.

1.3 Capacity in which Bidders act

- (a) Where this agreement confers any right or permission on "the Bidders" (rather than on an individual Bidder), the Bidders must exercise that right or permission jointly.
- (b) Despite any other provision of this agreement, any obligation imposed on or liability of:
 - (i) "the Bidders" (rather than on an individual Bidder) under this agreement is an obligation or liability, as the case may be, of the Bidders severally in their Specified Acquisition Proportions, except where the relevant obligation or liability, as the case may be, is expressly stated to be of the Bidders in their Specified Holding Proportions; and
 - (ii) an individual Bidder under this agreement is an obligation or liability, as the case may be, of that Bidder alone.

2 Agreement to proceed with Scheme

2.1 CHOML to propose Scheme

CHOML agrees to propose and implement the Scheme on and subject to the terms and conditions of this agreement, and to use all reasonable endeavours to do so in accordance with the Timetable and otherwise as soon as is reasonably practicable.

2.2 Bidders to assist

Each Bidder agrees to assist CHOML to implement the Scheme on and subject to the terms and conditions of this agreement, and to use all reasonable endeavours to do so in accordance with the Timetable and otherwise as soon as is reasonably practicable.

3 Conditions Precedent

3.1 Conditions Precedent

Subject to this clause 3, the obligations of CHOML under clauses 4.1(c) and 6.1(k), each Bidder's obligations under clauses 4.1(b), 4.1(d) and 6.3(i) and the Escrow Agent's obligations under clauses 4.1(e) and 6.4(e) are subject to the satisfaction (or waiver in accordance with clause 3.2) of each of the following Conditions Precedent:

Conditions Precedent for the benefit of the Parties

- (a) **(Regulatory Approvals)**
 - (i) **(ASIC modifications)** before the date of the Scheme Meeting, ASIC:
 - (A) has granted a modification of item 7 of section 611 of the Corporations Act, allowing CQO Unitholders (other than the Bidders and their Associates) to vote in favour of the Scheme for the purpose of item 7 of section 611 of the Corporations Act or indicated in writing that such a modification is not required;
 - (B) has granted a modification of section 601FC(1)(d) of the Corporations Act to the extent necessary to allow CHOML to treat the Excluded Unitholders differently from other holders of CQO Units under the

Scheme by excluding the CQO Units held by the Excluded Unitholders from the Scheme or indicated in writing that such a modification is not required;

- (C) has granted a modification of, or exemption from, Division 5A of Part 7.9 of the Corporations Act in relation to the proposed offer to acquire Scheme Units under the Scheme or indicated in writing that such a modification or exemption is not required;
 - (D) has granted an exemption from the requirement to provide a financial services guide in relation to any general financial product advice by CHOML or CHPT contained in the Scheme Booklet or indicated in writing that such an exemption is not required;
 - (E) has granted an exemption under section 911A(2)(l) of the Corporations Act from the requirement for CHOML to hold an Australian Financial Services Licence in relation to any financial product advice contained in the Scheme Booklet in respect of the Escrow Account (including the making of payments out of that account), or has indicated in writing that such exemption is not required; and
 - (F) has granted an exemption from the requirement to prepare a product disclosure statement in respect of the Escrow Account (or, alternatively, exemptions or modifications from section 1013B (PDS labelling), section 1015C (PDS delivery) and section 1016A(2) (application forms) of the Corporations Act insofar as those sections apply to the Escrow Account), or has indicated in writing that any such exemptions or modifications are not required; and
- (ii) **(other Regulatory Approvals)** before 8:00am on the Second Judicial Advice Date, all Regulatory Approvals that the Parties agree (acting reasonably) are required to implement the Scheme are granted or obtained and those Regulatory Approvals are not withdrawn, cancelled or revoked;
- (b) **(CQO Unitholder approvals)** the Scheme Resolutions are approved at the Scheme Meeting by the requisite majorities of CQO Unitholders under the Corporations Act (subject to any exemption or modification granted by ASIC);
 - (c) **(Judicial Advice)** the Court grants:
 - (i) the First Judicial Advice; and
 - (ii) the Second Judicial Advice;
 - (d) **(no restraints)** no judgment, order, decree, statute, law, ordinance, rule or regulation, or other temporary restraining order, preliminary or permanent injunction, restraint or prohibition, entered, enacted, promulgated, enforced or issued by any court or other Governmental Agency of competent jurisdiction, remains in effect as at 8:00am on the Second Judicial Advice Date that prohibits, materially restricts, makes illegal or restrains the completion of the Transaction or any Transaction Document;
 - (e) **(US Sales Process)** at or prior to 8:00am on the Second Judicial Advice Date, the sale of the US Assets has Completed;

- (f) **(Brandywine Consent)** the Brandywine Consent has been given and not amended after being signed in a way unacceptable to the Bidders, or withdrawn, revoked or terminated, as at 8:00am on the Second Judicial Advice Date;
- (g) **(appointment of Independent Accounting Expert)** before 9:00am on the First Judicial Advice Date, CHOML and the Independent Accounting Expert enter into the Independent Review Agreement;

Conditions Precedent for the benefit of Bidders only

- (h) **(FIRB approval)** before 8:00am on the Second Judicial Advice Date:
 - (i) each of Reco and PSP receives written notice from the Treasurer to the effect that there are no objections under the FATA or Australia's foreign investment policy to the acquisition of Scheme Units by it under the Scheme, such notice given unconditionally or subject to conditions acceptable to it (acting reasonably);
 - (ii) the period provided under the FATA during which the Treasurer may make an order or an interim order prohibiting the acquisition of Scheme Units by Reco or PSP under the Scheme has elapsed without such an order being made; or
 - (iii) if an interim order prohibiting the acquisition of Scheme Units by Reco or PSP under the Scheme is made by the Treasurer under the FATA, the subsequent period for making a final order prohibiting the acquisition has elapsed without such a final order being made;
- (i) **(no CQO Prescribed Occurrence or CQO Material Adverse Change)** no CQO Prescribed Occurrence or CQO Material Adverse Change occurs or becomes known to a Bidder between the date of this agreement and 8:00am on the Second Judicial Advice Date;
- (j) **(no breach of CHOML Warranty)** between the date of this agreement and 8:00am on the Second Judicial Advice Date, there is no breach of a CHOML Warranty;
- (k) **(CHOML Closing Certificate)** at or prior to 8:00am on the Second Judicial Advice Date, CHOML provides each Bidder with the CHOML Closing Certificate;
- (l) **(Third Party Consents)** all Third Party Consents and any other approvals of a Third Party which the Bidders and CHOML agree are necessary or desirable to implement the Scheme **(Other Third Party Approvals)** are obtained before 8:00am on the Second Judicial Advice Date;
- (m) **(ASIC modifications)** before the date of the Scheme Meeting, ASIC:
 - (i) has granted an exemption under section 911A(2)(l) of the Corporations Act from the requirement for Reco and PSP to hold an Australian Financial Services Licence in relation to any general financial product advice contained in the Scheme Booklet, or has indicated in writing that such exemption is not required;
 - (ii) has granted an exemption under section 601QA(1)(a) of the Corporations Act in respect of the requirement to register the Escrow Account as a managed investment scheme and an exemption from the requirement to provide a financial services guide in respect of any financial service provided

by the Escrow Agent or Charter Hall in relation to the Escrow Account, or has indicated in writing that any such exemptions are not required;

- (iii) has granted a modification of section 601PA of the Corporations Act to enable CQO to be deregistered as a managed investment scheme where all the members of CQO are wholesale clients and have all agreed to the deregistration or indicated in writing that such a modification is not required;
- (iv) has granted an exemption from section 601ED of the Corporations Act so that an immediate obligation to register CQO would not arise following deregistration or indicated in writing that such an exemption is not required; and
- (v) has granted a modification of section 601GC(1)(a) of the Corporations Act to enable the Bidders, along with CHCIT (as the unitholders of CQO from the Implementation Date) to modify the constitution of CQO on the Implementation Date by providing their written consent to the modification without holding a meeting of members or indicated in writing that such a modification is not required;

Conditions Precedent for the benefit of CHOML only

- (n) **(Independent Expert's Report)** the Independent Expert concludes in the Independent Expert's Report that the Scheme is in the best interests of CQO Unitholders (other than the Excluded Unitholders) and the Independent Expert does not change that conclusion before 8:00am on the Second Judicial Advice Date;
- (o) **(no material breach of Bidder Warranty)** between the date of this agreement and 8:00am on the Second Judicial Advice Date, there is no material breach of a Bidder Warranty;
- (p) **(Bidder Closing Certificate)** at or prior to 8:00am on the Second Judicial Advice Date, each Bidder provides CHOML with the Bidder Closing Certificate.

3.2 Benefit and waiver of Conditions Precedent

- (a) The Conditions Precedent in clauses 3.1(a) to 3.1(g) are for the benefit of each Party, and (except in the cases of the Conditions Precedent in clauses 3.1(b) and 3.1(c), which cannot be waived) any breach or non-fulfilment of any of those Conditions Precedent may only be waived with the written consent of each of the Parties.
- (b) The Conditions Precedent in clauses 3.1(h) to 3.1(m) are for the sole benefit of each Bidder, and (except for the Condition Precedent in clause 3.1(h), which cannot be waived) any breach or non-fulfilment of any of those Conditions Precedent may only be waived by each Bidder giving its written consent.
- (c) The Conditions Precedent in clauses 3.1(n) to 3.1(p) are for the sole benefit of CHOML, and any breach or non-fulfilment of those Conditions Precedent may only be waived by CHOML giving its written consent.
- (d) A Party entitled to waive the breach or non-fulfilment of a Condition Precedent pursuant to this clause 3.2 may do so in its absolute discretion (including by attaching conditions to the waiver which must be satisfied in order for the waiver to take effect).

- (e) If a Party waives the breach or non-fulfilment of a Condition Precedent pursuant to this clause 3.2, that waiver will not preclude it from suing any other Party for any breach of this agreement constituted by the same event that gave rise to the breach or non-fulfilment of the Condition Precedent.
- (f) Waiver of the breach or non-fulfilment of a Condition Precedent does not constitute:
 - (i) a waiver of the breach or non-fulfilment of any other Condition Precedent resulting from the same events or circumstances; or
 - (ii) a waiver of the breach or non-fulfilment of that Condition Precedent resulting from any other event or circumstance.

3.3 Reasonable endeavours and co-operation

Without prejudice to any other obligations of the Parties under this agreement:

- (a) each Bidder must use its reasonable endeavours to satisfy, or procure the satisfaction of, the Conditions Precedent in clauses 3.1(h), 3.1(m), 3.1(o) and 3.1(p);
- (b) CHOML must use its reasonable endeavours to satisfy, or procure the satisfaction of, the Conditions Precedent in clauses 3.1(e), 3.1(f), 3.1(g), 3.1(i), 3.1(j) and 3.1(k);
- (c) each Party must use their reasonable endeavours to satisfy, or procure the satisfaction of, the Conditions Precedent in clauses 3.1(a), 3.1(b), 3.1(c), 3.1(d) and 3.1(l) to the extent that it is within their control; and
- (d) each Party must not take, nor procure the taking of, any action that will or is reasonably likely to hinder or prevent the satisfaction of any Condition Precedent, except to the extent that such action is required to be taken or procured pursuant to, or is otherwise permitted by, the Transaction Documents, or is required by law.

3.4 Notifications

Each Party must:

- (a) keep each other Party promptly and reasonably informed of the steps it has taken and of its progress towards satisfaction of the Conditions Precedent;
- (b) promptly notify each other Party in writing if it becomes aware that any Condition Precedent has been satisfied, in which case the notifying Party must also provide reasonable evidence that the Condition Precedent has been satisfied; and
- (c) promptly notify each other Party in writing of a failure to satisfy a Condition Precedent or of any fact or circumstance that has resulted or will result in a Condition Precedent becoming incapable of being satisfied or that is reasonably likely to result in a Condition Precedent not being satisfied in accordance with its terms.

3.5 Failure of Conditions Precedent

(a) If:

- (i) there is a breach or non-fulfilment of a Condition Precedent that is not waived in accordance with clause 3.2;
- (ii) a Condition Precedent becomes incapable of satisfaction and the breach or non-fulfilment of that Condition Precedent that would otherwise occur is not waived in accordance with clause 3.2; or
- (iii) the Scheme has not become Effective by the End Date,

either CHOML or a Bidder may serve notice on the other Parties, and, if such a notice is served, the Parties must then consult in good faith with a view to determining whether:

- (iv) the Scheme may proceed by way of alternative means or methods;
- (v) to extend the relevant time for satisfaction of the Condition Precedent or to adjourn or change the date of an application to the Court; or
- (vi) to extend the End Date.

(b) Without limiting clause 3.5(a):

- (i) if a Condition Precedent (other than the Conditions Precedent in clauses 3.1(c)(ii)) is not satisfied by 9:00am on the Business Day before the Second Judicial Advice Date, the Parties agree (unless there is no reasonable prospect that the Condition Precedent will be satisfied) that the Second Judicial Advice Date be deferred until such date (not later than the Business Day before the End Date) as reasonably required to enable more time to satisfy the Condition Precedent; and
- (ii) if, at the time that is 10 Business Days before the time by which the Condition Precedent in clause 3.1(e) must be satisfied, CHOML has reason to believe the Condition Precedent may not be satisfied, it must notify the Bidders in writing and, unless the Parties agree otherwise, must immediately take such steps as are reasonably necessary (including, if applicable, make applications to the Court and make Supplementary Disclosure), but subject to the Trust Constitution, to postpone the Scheme Meeting and the Second Judicial Advice Date, in each case until the earliest possible date after the date on which it is expected the Condition Precedent will be satisfied, having regard to applicable law and policy. This clause 3.5(b)(ii) may apply more than once such that, where it applies, the deadline for satisfaction of the Condition Precedent will be 8:00am on the new Second Judicial Advice Date. Where this clause 3.5(b)(ii) has a subsequent operation, CHOML will be required to notify the Bidders in writing if, at any time during the period from the postponements until the new Second Judicial Advice Date, it believes the Condition Precedent may not be satisfied.

- (c) If the Parties are unable to reach agreement under clause 3.5(a) within 5 Business Days after the delivery of the notice referred to in that clause (or any shorter period ending at 5:00pm on the day before the Second Judicial Advice Date), any Party may terminate this agreement by notice in writing to the other Parties, provided that:
 - (i) the Condition Precedent to which the notice relates is for the benefit of the Party giving the notice (whether or not the Condition Precedent is also for the benefit of another Party); and
 - (ii) there has been no failure by that Party to comply with its obligations under this agreement, where that failure directly and materially contributed to the Condition Precedent to which the notice relates becoming incapable of satisfaction or being breached or not fulfilled (as the case may be).

If these requirements are satisfied, clause 13.4 will have effect.

3.6 Regulatory Approvals

Each Party acknowledges and agrees that:

- (a) without limitation to clause 11.2, it must comply with that clause in relation to the satisfaction of any aspect of the Condition Precedent in clause 3.1(a) and in relation to obtaining the ASIC exemptions and modifications and ASX waivers and confirmations referred to in clause 6.1(c) (if any);
- (b) a Regulatory Approval (other than the Regulatory Approval referred to in clause 3.1(h)) will be regarded as having been obtained notwithstanding that conditions may have been attached to that Regulatory Approval, provided that such conditions are acceptable to the Parties (each acting reasonably); and
- (c) it must agree the Regulatory Approvals referred to in clause 3.1(a)(ii) (if any), the ASIC exemptions and modifications and ASX waivers and confirmations referred to in clause 6.1(c) (if any) and the Other Third Party Approvals (if any) as soon as reasonably practicable after the date of this agreement.

4 Scheme, Scheme Consideration, Scheme Contingent Consideration and Permitted Distributions

4.1 Outline of Scheme

- (a) CHOML agrees to propose the Scheme on and subject to the terms of this agreement.
- (b) Before 11:00am on the Implementation Date, each Bidder must pay into:
 - (i) an Australian dollar denominated interest bearing account nominated by CHOML an amount in cleared funds equal to the Scheme Cash Consideration multiplied by the number of Scheme Units to be transferred to that Bidder or its Nominee under clause 4.1(c)(ii). Those funds are to be held on trust for the Scheme Participants for the purposes of provision of the Scheme Cash Consideration, except that any interest on the funds (less bank fees and other charges) will be to the Bidders' account in their Specified Acquisition Proportions; and

- (ii) the Escrow Account an amount in US dollars in cleared funds equal to that Bidder's Specified Holding Proportion of the Holdback Amount.

Where a Bidder fails to comply with its obligations under this clause 4.1(b) (a **Defaulting Bidder**):

- (iii) CHOML's rights will be against the Defaulting Bidder; and
 - (iv) if the Defaulting Bidder's failure to comply has not been cured within 5 Business Days after the date on which the Defaulting Bidder first failed to comply with its obligations under clause 4.1(b) (**Non-Compliance Date**), CHOML and the Escrow Agent must refund to each Bidder other than that Defaulting Bidder the funds it paid into the account referred to in clause 4.1(b)(i) and the Escrow Account along with any interest on those funds (less bank fees and other charges) by no later than 10 Business Days after the Non-Compliance Date.
- (c) Subject to each Bidder having complied with its obligations under clause 4.1(b), on the Implementation Date the following steps will occur in the following order:
- (i) CHOML will pay to CQO Unitholders as at the Record Date a special distribution of:
 - (A) \$0.5900 per CQO Unit to be funded to the maximum extent from CQO available cash at that time (other than US Sale Proceeds, including those deposited in the US Sale Proceeds Accounts and US Taxes Account) (such amount estimated to be approximately \$0.0800 per CQO Unit) and the balance by drawing down on the New CQO Debt Facility on the Implementation Date; plus
 - (B) an amount per CQO Unit of USD34 million of US Sale Proceeds, after conversion into Australian dollars at the prevailing exchange rate on the Business Day prior to the Implementation Date, divided by the number of CQO Units on issue as at the Record Date,with the aggregate amount payable to a CQO Unitholder under this clause 4.1(c)(i) to be rounded down to the nearest one cent;
 - (ii) all of the Scheme Units will be transferred in the following proportions:
 - (A) 209,660,885 Scheme Units will be transferred to Reco (or its Nominee);
 - (B) 209,660,885 Scheme Units will be transferred to PSP (or its Nominee); and
 - (C) 24,625,754 Scheme Units will be transferred to CHPT (or its Nominee),with each of the transfers to be sourced in the order set out above from the CQO Units as they appear on the CQO Register; and
 - (iii) each Scheme Participant will be paid an amount per Scheme Unit equal to \$2.49 less the amount per CQO Unit of the special distribution referred to in clause 4.1(c)(i) (**Scheme Cash Consideration**), with the aggregate amount payable to a Scheme Participant under this clause 4.1(c)(iii) to be rounded down to the nearest one cent.

- (d) Subject to the Scheme becoming Effective, each Bidder must, in consideration of the transfer to it or its Nominee of its Specified Acquisition Proportion of the total number of Scheme Units under the Scheme, pay or procure the payment of:
- (i) its Specified Acquisition Proportion of the Scheme Cash Consideration in accordance with clause 4.1(b)(i) and the terms of the Scheme;
 - (ii) its Specified Holding Proportion of the Holdback Amount in accordance with clause 4.1(b)(ii) and the terms of the Scheme; and
 - (iii) amounts equivalent to its Specified Holding Proportion of:
 - (A) the Initial Contingent Consideration Amount under clauses 4.4(a)(i), 4.4(a)(ii) and 4.4(a)(iii), after deducting the Initial Contingent Consideration Amount under clause 4.4(a)(vi), as at the Initial Contingent Consideration Payment Date;
 - (B) the Final Contingent Consideration Amount (US Proceeds) (if any) as at the Final Contingent Consideration Payment Date (US Proceeds); and
 - (C) the US Tax Contingent Consideration Amount (if any) as at the US Tax Contingent Consideration Payment Date,
 as calculated and notified by CQO Committee in accordance with clause 4.4, by depositing such amounts in US dollars and in cleared funds into the Escrow Account before 11:00am on the Business Day prior to the date upon which the Initial Contingent Consideration Amount, the Final Contingent Consideration Amount (US Proceeds) or the US Tax Contingent Amount, as the case may be, is required to be paid by the Escrow Agent in accordance with clause 4.1(e).
- (e) Subject to the Scheme becoming Effective and clauses 4.1(d) and 4.1(f), the Escrow Agent must, after conversion into Australian dollars at the prevailing exchange rate on the Business Day prior to date upon which an amount of Scheme Contingent Consideration is required to be paid, pay out of the Escrow Account to each CQO Unitholder as at the Record Date its Relevant Proportion of that amount in accordance with this clause 4.1(e), with the aggregate of that amount to be rounded down to the nearest one cent:
- (i) the Initial Contingent Consideration Amount (if any) must be paid on the Initial Contingent Consideration Payment Date (or such later date as provided by clause 4.6(c));
 - (ii) any Interim Contingent Consideration Amount (provided that the amount and any previous such amounts not yet paid exceed \$100,000) must be paid as soon as reasonably practicable after a Relevant Claim of a kind referred to in clause 4.4(a)(vii) is paid or discharged in full, or finally determined or settled (on an unconditional basis), or successfully defended in its entirety, but only to the extent that, following the payment being made, the Escrow Account (excluding any payments into the Escrow Account under clause 4.1(d)(iii)) would have a balance that is not less than the amount calculated as follows:
 - (A) the aggregate amount the subject of all Relevant Claims which were received, made or brought prior to the Initial Contingent Consideration Payment Date but which have not been paid or discharged in full, or finally determined or settled (on an unconditional basis); plus

- (B) the CQO Committee's reasonable estimate of the amount of costs which may be reasonably incurred in defending or settling the Relevant Claims referred to in sub-paragraph (ii)(A); plus
- (C) the greater of \$1 million and 20% of the sum of the amounts referred to in sub-paragraphs (ii)(A) and (ii)(B);
- (iii) the Final Contingent Consideration Amount (US Proceeds) (if any) must be paid on the Final Contingent Consideration Payment Date (US Proceeds) (or such later date as provided by clause 4.6(c));
- (iv) the Final Contingent Consideration Amount (Claims) (if any) must be paid on the Final Contingent Consideration Payment Date (Claims) (or such later date as provided by clause 4.6(c)); and
- (v) the US Tax Contingent Consideration Amount (if any) must be paid on the US Tax Contingent Consideration Payment Date (or such later date as provided by clause 4.6(c)).

For the avoidance of doubt, the Parties acknowledge that CQO Unitholders as at the Record Date (other than any CQO Unitholders who remain CQO Unitholders following implementation of the Scheme) do not have any rights in relation to, or interest in, the US Sale Proceeds Accounts or the US Taxes Account from time to time, it being acknowledged that those accounts remain assets of CQO that are maintained for the purpose of enabling calculations relating to the Scheme Contingent Consideration to be made in accordance with clause 4.4 of this agreement.

- (f) For the purposes of complying with its obligations under this agreement, the Escrow Agent must act upon the written direction provided by the CQO Committee of the calculation of the Scheme Contingent Consideration amounts, which shall include confirmation that the Independent Accounting Expert has completed its review in accordance with clause 4.6 and the Independent Review Agreement. The Parties irrevocably direct the Escrow Agent to ignore any notification or direction given by any person other than the CQO Committee in relation to the Escrow Account, or that has otherwise not been given in accordance with this agreement. Without limitation, the Escrow Agent may rely on any written notification or direction which appears on its face to be signed by one CQO Committee Member and has been given in accordance with clause 16.1 of this agreement and is reasonably believed by the Escrow Agent to be genuine. The Escrow Agent has no obligation or duty to enforce any obligations of the Bidders under clauses 4.1(b)(ii) or 4.1(d)(iii).
- (g) If any Authorisation is required for the Escrow Agent to pay, or be obliged to pay, the Scheme Contingent Consideration to CQO Unitholders under clause 4.1(e), then, despite anything to the contrary contained in this agreement, it is a condition precedent to any right of that person to receive payment, or for the Escrow Agent to be obliged to make payment, of the Scheme Contingent Consideration that all necessary Authorisations are obtained or satisfied (as the case requires). If CHOML or the Escrow Agent become aware of any Authorisation that would be the subject of this clause 4.1(g), they must use all reasonable endeavours to procure that the necessary Authorisation is obtained or satisfied (as the case requires) prior to the Implementation Date, or as soon as reasonably practicable thereafter (at CHOML's cost and expense).

- (h) Any obligation imposed on CHOML under clause 4.1(c)(i) or the Escrow Agent under clause 4.1(e) to pay an amount to a CQO Unitholder will be satisfied by CHOML or the Escrow Agent (as applicable):
 - (i) sending (or procuring the CQO Registry to send) the amount by cheque in Australian currency to the registered address of the CQO Unitholder, as shown on the CQO Register as at the Record Date; or
 - (ii) if applicable, depositing (or procuring the CQO Registry to deposit) the amount in Australian currency and in cleared funds into the account nominated by the CQO Unitholder prior to the Second Judicial Advice Date as that into which distributions in respect of CQO should be made, provided that account is with an Australian ADI.
- (i) CHOML must procure that the CQO Registry provides all assistance reasonably required by the Escrow Agent to enable the Escrow Agent to comply with its obligations under clauses 4.1(e) and 4.1(h) or otherwise under this agreement.
- (j) Subject to the proviso below:
 - (i) despite any other provision of this agreement or any other document, the Escrow Agent shall have no liability in respect of any amount due by it to any CQO Unitholder or CHOML except to the extent of the amounts available in the Escrow Account (as applicable) on the relevant payment date under clause 4.1(e); and
 - (ii) each CQO Unitholder and CHOML unconditionally and irrevocably waives all Claims it may otherwise have against the Escrow Agent but for the operation of sub-paragraph (j)(i), and must not do or seek to do, and waives any rights it may have to do, any of the following things to the extent that doing any of these things would be inconsistent with the limitation of liability in sub-paragraph (j)(i):
 - (A) obtain a judgment for the payment of money or damages by the Escrow Agent;
 - (B) issue any demand under section 459E(1) of the Corporations Act (or any analogous provision under any other law) against the Escrow Agent;
 - (C) apply for the winding up of the Escrow Agent;
 - (D) levy or enforce any distress or other execution to, on, or against any assets of the Escrow Agent;
 - (E) apply for the appointment by a court of a receiver to any of the assets of the Escrow Agent;
 - (F) exercise or seek to exercise any set-off or counterclaim against the Escrow Agent; or
 - (G) commence proceedings in relation any of the above,

where the proviso is that the Escrow Agent's liability in respect of the Scheme Contingent Consideration will not be limited in the manner contemplated in this clause 4.1(j) if, following implementation of the Scheme, the Escrow Agent uses (or agrees to use) any of the funds in the Escrow Account for any purpose other than

the making of a payment referred to in clauses 4.1(e), 4.2, 4.3 or 4.8, and this use of the funds has been Finally Determined.

Each CQO Unitholder and CHOML agrees that the waiver provided in this 4.1(j) may be pleaded as an absolute bar to any Claim commenced now or taken at any time by or on behalf of any CQO Unitholder or CHOML against the Escrow Agent.

- (k) The limitation provisions in clause 28.5 of the Trust Constitution and clause 4(b) and 4(c) of the Escrow Agent Deed Poll must be enforced by CHOML (at CHOML's cost and expense) upon written request received from the Escrow Agent.

4.2 Establishment of accounts

- (a) Upon implementation of the Scheme, the Escrow Agent will establish, maintain and operate the Escrow Account, and hold the Escrow Account on trust, on the terms and conditions of this agreement.
- (b) The Escrow Agent must procure that upon implementation of the Scheme, a separate US dollar denominated interest bearing account (**Escrow Account**) is established which is to hold the funds paid by the Bidders in accordance with clause 4.1(b)(ii). The Escrow Account is to be a "basic deposit product" as defined in the Corporations Act (unless otherwise specified by the Escrow Agent), and the Holdback Amount in the Escrow Account must only be used for the purpose of discharging Liabilities pursuant to clauses 4.3(a) and 4.3(c) (but, in the case of clause 4.3(c), only to the extent of Relevant Claims) and for the payment of any amounts contemplated by clauses 4.4(b) and 4.4(d).
- (c) The Escrow Agent is not responsible to the Parties or CQO Unitholders for, nor will it be liable in respect of:
 - (i) any failure by another party to perform its obligations under this agreement or the Bidder Deed Poll; or
 - (ii) any action taken or omitted to be taken by the Escrow Agent under this agreement, except any fraud or wilful misconduct of any of its officers or employees, where such conduct has been Finally Determined to have occurred.
- (d) CHOML indemnifies the Escrow Agent against all Liabilities, including Taxes, incurred by the Escrow Agent in connection with the performance or attempted performance by it of its obligations, or the exercise or attempted exercise of its rights, under this agreement, or any Claim in relation to the Escrow Account or this agreement, except any fraud or wilful misconduct of any of its officers or employees, where such conduct has been Finally Determined to have occurred. This indemnity is a continuing indemnity and survives termination of this agreement, the implementation of the Scheme or any payment of the Scheme Contingent Consideration. CHOML is entitled to be reimbursed from the Escrow Account for all amounts it pays in accordance with this clause 4.2(d), and the Escrow Agent is authorised to pay such amounts from the Escrow Account. This clause 4.2(d) does not limit clause 4.2(e).
- (e) The Escrow Agent is entitled to deduct, or be reimbursed, from the Escrow Account the amount of all Taxes payable, and reasonably incurred costs and expenses, in connection with the performance or attempted performance by it of its obligations, or the exercise or attempted exercise of its rights, under this agreement, or any Claim in relation to the Escrow Account or this agreement.

- (f) CHOML must ensure that upon implementation of the Scheme:
 - (i) a separate US dollar denominated interest bearing account (**US Taxes Account**) is established by CHOML which holds funds of not less than the US Tax Holdback Amount, where such funds are US Sale Proceeds that have not been converted into Australian dollars; and
 - (ii) there are one or more separate US dollar denominated bank accounts (**US Sale Proceeds Accounts**) established by CHOML into which all US Sale Proceeds (including those amounts not distributed on or before the Implementation Date but excluding amounts payable into the US Taxes Account and amounts referred to in clause 4.7(c) (other than the “difference” (if any) referred to in sub-paragraph (vii)) and any payment received by a CQO Group member pursuant to a Claim under clause 11.14 of the US Sale Contract, are paid upon establishment of the US Sale Proceeds Accounts or as soon as reasonably practicable after they are received.
- (g) The Parties and Charter Hall agree that the Escrow Agent will be Charter Hall unless, or on before Friday, 20 January 2012, Charter Hall has notified the Parties in writing that a Related Body Corporate of Charter Hall will act as Escrow Agent, in which case Charter Hall must:
 - (i) procure that such Related Body Corporate enters into a deed of accession with the Parties and Charter Hall (which are bound to execute such deed if Charter Hall and the Related Body Corporate have complied with this clause 4.2(g)) under which:
 - (A) Charter Hall's Related Body Corporate covenants and agrees with each Party, as from the date of that deed, to observe, perform and be bound by all of the terms, covenants, representations, warranties and obligations of the Escrow Agent under this agreement; and
 - (B) the Parties covenant and agree that, as from the date of that deed, Charter Hall's Related Body Corporate will be entitled to exercise all of the rights, privileges and benefits of the Escrow Agent under this agreement; and
 - (ii) to the extent that the operation of the Escrow Account is taken to involve the issue of any financial product for the purposes of the Corporations Act, unless the Escrow Agent is itself appropriately licensed to issue that financial product - make offers to people to arrange for the issue of the financial products constituted by the Scheme Contingent Consideration in the manner contemplated by section 911A(2)(b) of the Corporations Act.

4.3 Discharge of Liabilities

- (a) During the period up to the Final Contingent Consideration Payment Date (Claims), any Relevant Claim will be dealt with as follows:
 - (i) if, in its reasonable opinion, the CQO Committee believes, acting in good faith, that there are no reasonable prospects of defending the Relevant Claim, or settling the Claim for a materially lesser amount than that specified in the Claim (taking into account the likely external costs associated with seeking to settle the Claim), the CQO Committee must, following review by the Independent Accounting Expert in accordance with the Independent Review Agreement, direct the Escrow Agent in writing to pay the amount the

subject of the Relevant Claim to the claimant in accordance with the terms of the Relevant Claim out of the Escrow Account; or

- (ii) if, in its reasonable opinion, the CQO Committee believes, acting in good faith, that there are reasonable prospects of defending the Relevant Claim or settling the Claim for a materially lesser amount than that specified in the Claim (taking into account the likely costs associated with seeking to settle the Claim), or successfully appealing an adverse judgment made in relation to the Claim, the CQO Committee must, following review by the Independent Accounting Expert in accordance with the Independent Review Agreement, direct CHOML to promptly take such steps as are reasonably necessary to successfully defend, settle and/or appeal the Claim (as the case may be and including instructing external advisers), and the Escrow Agent must, upon written direction from the CQO Committee, reimburse CHOML out of the Escrow Account the external costs reasonably incurred in connection with taking such steps before the deadline for payment (subject to there being a dispute in relation to the quantum of those costs, in which event the costs must be paid as soon as reasonably practicable after the dispute (which CHOML must use reasonable endeavours to resolve as quickly as reasonably practicable) has been resolved).
- (b) CHOML agrees that, when it or any other CQO Group member receives notice from a relevant US Tax Authority of an assessment for US Taxes following the Implementation Date, it will:
 - (i) if, in the CQO Committee's reasonable opinion, the CQO Committee believes, acting in good faith, that no error has been made in making the assessment, that the assessment is otherwise in good order and that there is no reasonable basis upon which the assessment may be challenged, following review by the Independent Accounting Expert in accordance with the Independent Review Agreement, direct CHOML to pay the amount the subject of the assessment to the relevant US Tax Authority in accordance with the terms of the relevant assessment and out of the US Taxes Account; or
 - (ii) if, in the CQO Committee's reasonable opinion, the CQO Committee believes, acting in good faith, that an error has been made in making the assessment, that the assessment is otherwise not in good order or that there is a reasonable basis upon which the assessment may be challenged, following review by the Independent Accounting Expert in accordance with the Independent Review Agreement, direct CHOML to promptly take such steps as are reasonably necessary to challenge the assessment, and will pay out of the US Taxes Account the external costs reasonably incurred in connection with taking such steps before the deadline for payment (subject to there being a dispute in relation to the quantum of those costs, in which event the costs must be paid as soon as reasonably practicable after the dispute (which CHOML must use reasonable endeavours to resolve as quickly as reasonably practicable) has been resolved).
- (c) If, following the taking of the steps referred to in clause 4.3(a)(ii) or 4.3(b)(ii), the CQO Committee, acting reasonably and in good faith, considers that a payment should or must be made in respect of a Relevant Claim or Tax assessment (as applicable and having regard, respectively, to the prospects of defending or settling the Claim or to the prospects of successfully challenging that assessment), the CQO Committee must, following review by the Independent Accounting Expert in accordance with the Independent Review Agreement, direct CHOML to make such

payment (or, in the case of a payment to be made out of the Escrow Account, direct the Escrow Agent in writing to make such payment):

- (i) in accordance with the terms of the Relevant Claim or Tax assessment (as applicable), and in accordance with any other relevant instrument, ruling, judgment, order or decree; and
 - (ii) out of the Escrow Account or US Taxes Account (as applicable).
- (d) Without limitation to clauses 4.3(a), 4.3(b) and 4.3(c), CHOML must make a payment (or, in the case of a payment to be made out of the Escrow Account, the CQO Committee must direct the Escrow Agent in writing to make such payment) referred to in those clauses as soon as reasonably practicable.

4.4 Calculation of Scheme Contingent Consideration

The Scheme Contingent Consideration will be calculated by the CQO Committee in accordance with this clause 4.4. Following review by the Independent Accounting Expert in accordance with the Independent Review Agreement, the CQO Committee shall provide written directions to the Escrow Agent and notify the Bidders and CHOML in writing of the relevant Scheme Contingent Consideration amount.

- (a) The **Initial Contingent Consideration Amount** is the positive amount (if any) which is equivalent to the amount calculated as follows:
- (i) the US Sale Proceeds that were deposited into the US Sale Proceeds Accounts prior to the Initial Contingent Consideration Payment Date (whether received or accrued before, on or after the Implementation Date) but were not distributed to CQO Unitholders on or before the Implementation Date; plus
 - (ii) any interest accrued on the US Sale Proceeds referred to in clause 4.4(a)(i); plus
 - (iii) any amount received by a CQO Group member pursuant to a Claim under clause 11.14 of the US Sale Contract; plus
 - (iv) the balance in the Escrow Account on the Initial Contingent Consideration Payment Date before any payments into the Escrow Account under clause 4.1(d)(iii); plus
 - (v) any interest accrued but not paid on the Escrow Account as at the Initial Contingent Consideration Payment Date; less
 - (vi) any bank or reasonably incurred external adviser costs and expenses in relation to the US Sale Proceeds Accounts for the period up to and including the Initial Contingent Consideration Payment Date, including any costs of conversion into Australian dollars and of making payments out of the accounts but not including any bank costs and expenses already deducted from the US Sale Proceeds deposited into the US Sale Proceeds Account; less
 - (vii) the amount the subject of any Relevant Claims which have been received, made or brought prior to the Initial Contingent Consideration Payment Date and which have not been paid or discharged in full, or finally determined or settled (on an unconditional basis), prior to that date, plus CHOML's

reasonable estimate of the amount of costs which may be reasonably incurred in defending or settling such Claims in the future; less

- (viii) any bank or reasonably incurred external adviser costs and expenses in relation to the Escrow Account for the period up to and including the Initial Contingent Consideration Payment Date, including any costs of conversion into Australian dollars and of making payments out of the account, but not including any bank costs and expenses already deducted from the US Sale Proceeds deposited into the US Sale Proceeds Accounts; less
 - (ix) any amounts incurred and entitled to be deducted or reimbursed in accordance with clause 4.2(d), 4.2(e), 4.8(d) or 4.8(e) for the period up to and including the Initial Contingent Consideration Payment Date, but not including such amounts already deducted or reimbursed from the Escrow Account.
- (b) The **Interim Contingent Consideration Amounts** are the positive amounts (if any) that are equivalent to the amount calculated as follows:
- (i) the amount the subject of a Relevant Claim of a kind referred to in clause 4.4(a)(vii) that has been paid or discharged in full, or finally determined or settled (on an unconditional basis), or successfully defended in its entirety; less
 - (ii) any amount paid to a third party in connection with the Relevant Claim, whether that third party be the person(s) who made or brought the Claim or a service provider (e.g. external adviser) engaged by CHOML in connection with the Claim; less
 - (iii) any bank or reasonably incurred external adviser costs and expenses in relation to the Escrow Account for the period from the day after the Initial Contingent Consideration Payment Date up to and including the relevant date upon which an Interim Contingent Consideration Amount is paid in accordance with clause 4.1(e)(ii), including any costs of conversion into Australian dollars and of making payments out of the account but not including any bank costs and expenses already deducted from another amount calculated under this clause 4.4, and only to the extent that such amounts are deducted from a positive amount; less
 - (iv) any amounts incurred and entitled to be deducted or reimbursed in accordance with clause 4.2(d), 4.2(e), 4.8(d) or 4.8(e) for the period from the day after the Initial Contingent Consideration Payment Date up to and including the relevant date upon which an Interim Contingent Consideration Amount is paid in accordance with clause 4.1(e)(ii) but not including such amounts already deducted from another amount calculated under this clause 4.4, and only to the extent that such amounts are deducted from a positive amount.
- (c) The **Final Contingent Consideration Amount (US Proceeds)** is the positive amount (if any) which is equivalent to the amount calculated as follows:
- (i) any US Sale Proceeds deposited into the US Sale Proceeds Accounts on or after the Initial Contingent Consideration Payment Date and prior to the Final Contingent Consideration Payment Date (US Proceeds); plus
 - (ii) any interest accrued after the Initial Contingent Consideration Payment Date and prior to the Final Contingent Consideration Payment Date (US

Proceeds) on the US Sale Proceeds deposited into the US Sale Proceeds Accounts; plus

- (iii) any amount received by a CQO Group member pursuant to a Claim under clause 11.14 of the US Sale Contract after the Initial Contingent Consideration Payment Date and prior to the Final Contingent Consideration Payment Date (US Proceeds); less
 - (iv) any bank or reasonably incurred external adviser costs and expenses for the period from the day after the Initial Contingent Consideration Payment Date up to and including the Final Contingent Consideration Payment Date (US Proceeds) in relation to the US Sale Proceeds Accounts, including any costs of conversion into Australian dollars and of making payments out of the accounts but not including any bank costs and expenses already deducted from the US Sale Proceeds deposited into the US Sale Proceeds Account or already deducted from another amount calculated under this clause 4.4, and only to the extent that such amounts are deducted from a positive amount; less
 - (v) any amounts incurred and entitled to be deducted or reimbursed in accordance with clause 4.2(d), 4.2(e), 4.8(d) or 4.8(e) for the period from the day after the Initial Contingent Consideration Payment Date up to and including the Final Contingent Consideration Payment Date but not including such amounts already deducted from another amount calculated under this clause 4.4, and only to the extent that such amounts are deducted from a positive amount.
- (d) The **Final Contingent Consideration Payment Amount (Claims)** is the positive amount (if any) which is equivalent to the amount calculated as follows:
- (i) the balance in the Escrow Account on the Final Contingent Consideration Payment Date (Claims); plus
 - (ii) any interest accrued but not paid on the Escrow Account as at the Final Contingent Consideration Payment Date; less
 - (iii) any bank or reasonably incurred external adviser costs and expenses in relation to the Escrow Account for the period from the day after the Initial Contingent Consideration Payment Date up to and including the Final Contingent Consideration Payment Date (Claims), including any costs of conversion into Australian dollars and of making payments out of the account but not including any bank costs and expenses already deducted from another amount calculated under this clause 4.4, and only to the extent that such amounts are deducted from a positive amount; less
 - (iv) any amounts incurred and entitled to be deducted or reimbursed in accordance with clause 4.2(d), 4.2(e), 4.8(d) or 4.8(e) for the period from the day after the Initial Contingent Consideration Payment Date up to and including the Final Contingent Consideration Payment Date (Claims), but not including such amounts already deducted or reimbursed from the Escrow Account.
- (e) The **US Tax Contingent Consideration Amount** is a positive amount (if any) which is equivalent to the amount calculated as follows:
- (i) the balance of the US Taxes Account; plus

- (ii) any interest accrued but not paid on the US Taxes Account as at the US Tax Contingent Consideration Payment Date; less
- (iii) any bank or reasonably incurred external adviser costs and expenses in relation to the US Taxes Account, including any costs of conversion into Australian dollars and of making payments out of the account but not including any bank costs and expenses already deducted from the US Sale Proceeds deposited into the US Taxes Account; less
- (iv) any amounts deducted or reimbursed in accordance with clause 4.2(d), 4.2(e), 4.8(d) or 4.8(e) for the period from the day after the Initial Contingent Consideration Payment Date up to and including the US Tax Contingent Consideration Payment Date but not including such amounts already deducted from another amount calculated under this clause 4.4, and only to the extent that such amounts are deducted from a positive amount.

4.5 No dealings by CHOML

CHOML must not withdraw funds out of a US Sale Proceeds Account or the US Taxes Account which are relevant to the calculation or determination of an amount of Scheme Contingent Consideration until the date on which that amount of consideration has been so calculated or determined in accordance with the terms of this agreement and the Independent Review Agreement.

4.6 Independent Accounting Expert

- (a) CHOML and the CQO Committee will use reasonable endeavours to appoint the Independent Accounting Expert as soon as reasonably practicable after the date of this agreement.
- (b) CHOML agrees that it will do all things reasonably necessary to ensure that the CQO Committee and the Independent Accounting Expert is provided with all the information it reasonably requires to undertake an Independent Review in sufficient time before a payment to be made to a CQO Unitholder under clause 4.1(e) such that the payment can be made on the relevant date specified in that clause.
- (c) CHOML, the Bidders and the Escrow Agent agree that despite anything in clause 4.1(e) or any other provision in this agreement, in the event the quantum of a Scheme Contingent Consideration amount is not finally determined before the Contingent Consideration Payment Date as a result of compliance with the procedures set out in the Independent Review Agreement, the Contingent Consideration Payment Date shall be deferred for the minimum amount of time necessary such that the payment is made as soon as reasonably practicable after the quantum of the payment has been finally determined.
- (d) CHOML undertakes to the Bidders and the Escrow Agent that it will comply with its obligations under the Independent Review Agreement.
- (e) Each Bidder and the Escrow Agent acknowledges that the quantum of the Scheme Contingent Consideration will be determined in accordance with clause 4.4 and this clause 4.6 and the procedures in the Independent Review Agreement.

4.7 Permitted Distributions

- (a) Subject to clauses 4.7(b) and 4.7(c), CHOML will be entitled to pay to CQO Unitholders on or before the Implementation Date:
- (i) a distribution for the first half of the 2012 financial year relating to earnings in respect of the Australian Portfolio of an amount not exceeding \$0.072 per CQO Unit (such amount to be determined having regard to the usual distribution payout range for CQO);
 - (ii) a distribution for the first half of the 2012 financial year relating to earnings in respect of the US Assets of an amount of \$0.038 per CQO Unit; and
 - (iii) distributions of the US Sale Proceeds (or any part thereof) to CQO Unitholders in accordance with clause 4.7(b).
- (b) Subject to clause 4.7(c), prior to the Effective Date, CHOML may pay or announce for payment distributions of a kind referred to in clause 4.7(a)(iii) in respect of US Sale Proceeds totalling not more than US\$495 million (or A\$ equivalent amounts) (**Maximum Distribution Amount**), provided that:
- (i) if CHOML (acting reasonably and in good faith) becomes aware of any circumstances that cause it to believe that there is a reasonable likelihood that the US Sale Proceeds received before the Effective Date will be less than US\$575 million, it must immediately notify the Bidders in writing and the Maximum Distribution Amount will be reduced by an amount equivalent to the amount by which CHOML (acting reasonably and in good faith) considers the US Sale Proceeds received before the Effective Date will be less than US\$575 million; and
 - (ii) CHOML must ensure that it does not make any distributions in respect of US Sale Proceeds (whether paid or announced for payment before or after the Effective Date) which would render it unable to pay the special distribution referred to in clause 4.1(c)(i)(B) on the Implementation Date,
- it being acknowledged by the Parties that CHOML may pay or announce for payment further distributions of US Sale Proceeds on or after the Effective Date of a kind referred to in clause 4.7(a)(iii) in excess of the Maximum Distribution Amount, subject to clause 4.7(b)(ii) and clause 4.7(c).
- (c) CHOML must ensure that, immediately prior to implementation of the Scheme on the Implementation Date, the following things have happened:
- (i) the US Tax Holdback Amount has been deposited in full into the US Taxes Account out of US Sale Proceeds otherwise available for distribution under clause 4.7(a)(iii);
 - (ii) the amount the subject of all Relevant Claims which have been received, made or brought prior to the Effective Date has been deposited in full into the US Sale Proceeds Accounts out of US Sale Proceeds otherwise available for distribution under clause 4.7(a)(iii), but only to the extent that such amount of Relevant Claims does not exceed the Top Up Amount;
 - (iii) any Offshore Liability which has been identified prior to the Effective Date and which is presently owing has been discharged in full out of US Sale Proceeds otherwise available for distribution under clause 4.7(a)(iii);

- (iv) where the Implementation Date is after 31 March 2012, but on or before 30 April 2012, an additional amount equal to:

- (A) \$3 million; less

- (B) \$194,285 for each day in the period from 31 March 2012 up to and including the Implementation Date,

has been withheld out of (or, if the aggregate of amounts payable under sub-paragraph (B) is greater than \$3 million, the excess above \$3 million is added to) the US Sale Proceeds available for distribution under clause 4.7(a)(iii); and

- (v) where the Implementation Date is after 30 April 2012, but on or before 31 May 2012, an additional amount equal to:

- (A) \$8.9 million; less

- (B) \$194,285 for each day in the period from 31 March 2012 up to and including the Implementation Date,

has been withheld out of (or, if the aggregate of amounts payable under sub-paragraph (B) is greater than \$8.9 million, the excess above \$8.9 million is added to) the US Sale Proceeds available for distribution under clause 4.7(a)(iii);

- (vi) where CHOML's Sell-Side Costs exceed \$5 million, the amount of that excess has been withheld out of the US Sale Proceeds available for distribution under clause 4.7(a)(iii); and

- (vii) an amount of not less than \$4 million and CHOML's reasonable estimate of potential Taxes or other Liabilities in connection with the ATO's review has been withheld out of the US Sale Proceeds available for distribution under clause 4.7(a)(iii), provided that, if the actual Taxes or other Liabilities paid by CHOML (at the direction of the CQO Committee, acting reasonably and in good faith) in connection with the review are less than the amount withheld, the difference shall be deposited into a US Sale Proceeds Account and will become part of the calculation of Scheme Contingent Consideration under clause 4.4.

- (d) In relation to sub-paragraphs (iv) and (v) of clause 4.7(c), the Bidders must use reasonable endeavours to negotiate a reduction in costs associated with the New CQO Debt Facility resulting from the Implementation Date being after 31 March 2012.
- (e) For the avoidance of doubt, where an amount is withheld under clause 4.7(c), that amount may be retained by CQO.

4.8 CQO Committee

- (a) CHOML will establish the CQO Contingent Consideration Committee (the **CQO Committee**), which will:
 - (i) calculate the Scheme Contingent Consideration amounts, and determine whether any Scheme Contingent Consideration amounts are payable to CQO Unitholders out of the Escrow Account, in accordance with this agreement;

- (ii) determine whether any amounts are payable to CHOML or to a claimant in connection with a Relevant Claim out of the Escrow Account in accordance with this agreement;
- (iii) liaise with the Independent Accounting Expert in relation to the Independent Reviews and resolve any disagreement with the Independent Accounting Expert arising out of the Independent Reviews;
- (iv) deal with any Relevant Claims and any other matters in accordance with this Agreement;
- (v) provide written directions to the Escrow Agent for the Escrow Agent to make payments out of the Escrow Account in accordance with this agreement; and
- (vi) provide written directions to CHOML if required to do so in accordance with this agreement.

CHOML, the Independent Director Committee (acting through CHOML) and the Bidders must agree protocols that will govern the operation of the CQO Committee on and from the Implementation Date (**CQO Committee Protocols**) as soon as reasonably practicable after the date of this agreement.

- (b) The CQO Committee will comprise up to 6 members, up to 3 of whom will be appointed by the Independent Director Committee acting through CHOML and an equal number of whom will be Charter Hall Group employees appointed by the Bidders.
- (c) CHOML must procure that the CQO Committee undertakes the activities required of it under this agreement, including the CQO Committee providing such written notifications or directions as are required to enable the Escrow Agent to comply with its obligations under this agreement.
- (d) CHOML will be entitled to be reimbursed from the Escrow Account (for itself and on behalf of the CQO Committee Members) the amount of:
 - (i) all reasonably incurred costs and expenses in connection with the CQO Committee (including any fee that CHOML has agreed to pay CQO Committee Members and any amounts paid by CHOML under any indemnity given to CQO Committee Members), any Claim in relation to the Escrow Account or this agreement;
 - (ii) all reasonably incurred costs and expenses of each CQO Committee Member in connection with:
 - (A) the performance or attempted performance by them of their duties under this agreement or as a member of the CQO Committee;
 - (B) any Claim in relation to the Escrow Account or other accounts established in accordance with this agreement; or
 - (C) this agreement.
- (e) The Escrow Agent is authorised to pay the amounts described in clause 4.8(d) from the Escrow Account. This clause 4.8(e) does not limit clause 4.2(e).

- (f) The Parties agree and acknowledge that a CQO Committee Member is not responsible to the Parties or CQO Unitholders for, nor will they be liable in respect of:
 - (i) any failure by another party to perform its obligations under this agreement or the Bidder Deed Poll; or
 - (ii) any action taken or omitted to be taken by the CQO Committee Member, except any fraud or wilful misconduct of the CQO Committee Member, where such conduct has been Finally Determined to have occurred.
- (g) To the maximum extent permitted by law, each CQO Unitholder unconditionally and irrevocably waives all Claims they may have against the CQO Committee Members, and must not or seek to, and waives any rights they may have to, make any Claim against one or more CQO Committee Member. Each CQO Unitholder agrees that the waiver provided in this clause 4.8(g) may be pleaded as an absolute bar to any Claim commenced now or taken at any time by or on behalf of any CQO Unitholder against any one or more of the CQO Committee Members.
- (h) The provisions in clause 28.6 of the Trust Constitution must be enforced by CHOML (at CHOML's cost and expense) upon written request received from a CQO Committee Member.
- (i) The Bidders agree and acknowledge that CHOML may:
 - (i) in appointing a CQO Committee Member, agree to:
 - (A) indemnify the CQO Committee Member against Liabilities incurred by the CQO Committee Member in connection with their appointment as a member of the CQO Committee (but only to the extent that there are insufficient funds in the Escrow Account to meet such Liabilities); and
 - (B) pay reasonable fees to the CQO Committee Member in connection with their appointment (but only to the extent that there are insufficient funds in the Escrow Account to pay such fees);
 - (ii) make payments out of the assets of CQO to satisfy any obligations of CHOML under such indemnities or in relation to such fees.

5 US Sale Process

5.1 Acknowledgement

Each Bidder acknowledges that the US Asset Vendors have agreed to sell the US Assets to the US Asset Purchaser (or otherwise as permitted by the US Sale Contract).

5.2 Completion of US Sale Process

- (a) Without limitation to its obligations under clause 3.3(b), CHOML agrees that it will do all things reasonably within its power to ensure that "Closing" (as defined in the US Sale Contract) (**Closing**) takes place in respect of each US Asset before 8:00am on the Second Judicial Advice Date or, if that is not practicable, before the End Date.
- (b) Notwithstanding any other part of this agreement, the Parties acknowledge and agree that CHOML will not breach any provision of this agreement, and the Bidders

will not have any rights under any provision of this agreement (including to terminate this agreement on the basis of a breach or non-fulfilment of a Condition Precedent), if CHOML takes, or procures the taking of, any action taken or procured which is reasonably necessary in order to:

- (i) complete the sale of the US Assets in accordance with the terms of the US Sale Contract or as otherwise agreed with the US Asset Purchaser (including the repatriation of any proceeds received from the sale of a US Asset);
- (ii) make a distribution of US Sale Proceeds in accordance with clause 4.7;
- (iii) maintain the US Assets and conduct the businesses carried on in connection with those assets in the ordinary course (including entering into new leasing arrangements or terminating, extending or otherwise changing existing leasing arrangements); or
- (iv) effect the reorganisation, dissolution, collapse or winding up of any non-reporting Offshore Entity, provided that, before any such action is taken or procured, the consent of the Bidders (not to be unreasonably withheld or delayed) is obtained. The Parties acknowledge that, without limiting the circumstances where the Bidders may withhold such consent, it will be reasonable for the Bidders to withhold such consent where such action is likely to result in any Tax liability or material costs or expense to any CQO Group member.

6 Implementation steps

6.1 CHOML's obligations in respect of the Scheme

CHOML must take all steps reasonably necessary to propose and implement the Scheme in accordance with the Timetable and otherwise as soon as is reasonably practicable, and in particular must:

- (a) **(preparation of Scheme Booklet)** prepare the Scheme Booklet in accordance with clause 6.5;
- (b) **(Independent Expert)** as soon as reasonably practicable after the date of this agreement, provide all assistance and information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report;
- (c) **(ASIC and ASX relief)** as soon as reasonably practicable after the date of this agreement, apply to ASIC for such modifications and exemptions, and apply to ASX for such waivers and confirmations, as it determines are required to implement the Scheme (acting reasonably and after consulting in good faith with each Bidder);
- (d) **(liaison with ASIC)** provide an advanced draft of the Scheme Booklet to ASIC for its review and approval and keep each Bidder informed of any material issues raised by ASIC in relation to that draft (and of both the manner in which such issues will be addressed and any resolution of such issues);
- (e) **(approval of Scheme Booklet)** as soon as reasonably practicable after the form of the Scheme Booklet has been finalised, procure that a meeting of the CHOML Board is convened to approve the Scheme Booklet for despatch to CHOML

Unitholders, subject to the First Judicial Advice being granted and to each Bidder providing the consent referred to in clause 6.3(e);

- (f) **(Court documents)** prepare all documents necessary for the applications for, and make applications for and use reasonable endeavours to obtain, the Judicial Advice in accordance with all applicable laws (subject to, in the case of the Second Judicial Advice, the Scheme Resolutions being passed by the requisite majorities of CQO Unitholders at the Scheme Meeting), and provide each Bidder with drafts of those documents and (acting reasonably and in good faith) take into account any comments received in a timely manner from each Bidder on those drafts;
- (g) **(Scheme Meeting)** subject to the First Judicial Advice being granted, take all reasonable steps necessary to:
 - (i) despatch the Scheme Booklet to CQO Unitholders;
 - (ii) convene and hold the Scheme Meeting; and
 - (iii) put the Scheme Resolutions to CQO Unitholders at the Scheme Meeting, as soon as is reasonably practicable (but in any event substantially in accordance with the Timetable), provided that if this agreement is terminated under clause 13 it will take all steps reasonably required to ensure the Scheme Meeting is not held;
- (h) **(execution of Supplemental Deed)** subject to the Scheme Resolutions being passed at the Scheme Meeting, execute the Supplemental Deed and lodge the executed Supplemental Deed with ASIC;
- (i) **(Supplementary Disclosure)** if it becomes aware of information after the date of despatch of the Scheme Booklet that it reasonably considers to be material for disclosure to CQO Unitholders in deciding whether to approve any of the Scheme Resolutions or information that is required to be disclosed to CQO Unitholders under any applicable law (which shall, for the avoidance of doubt, include any Supplementary Bidder Information) **(Supplementary Information)**, as expeditiously as practicable inform CQO Unitholders of the Supplementary Information in an appropriate and timely manner and in accordance with applicable laws, provided that it must first (to the extent reasonably practicable):
 - (i) consult with each Bidder as to the manner of provision of the Supplementary Information to CQO Unitholders; and
 - (ii) provide each Bidder with drafts of any documents in respect of the Supplementary Information to be sent to CQO Unitholders or otherwise released **(Supplementary Disclosure)** and (acting reasonably and in good faith) take into account any comments received in a timely manner from each Bidder on those drafts;
- (j) **(provide CQO Register information)** as soon as reasonably practicable after the Record Date, and in any event at least 3 Business Days before the Implementation Date, give to each Bidder and the Escrow Agent (or as it directs), in electronic form, details of the names, registered addresses and holdings of Scheme Units as shown in the CQO Register as at the Record Date;

- (k) **(implementation of the Scheme)** if the Court grants the Second Judicial Advice:
 - (i) close the CQO Register as at the Record Date to determine the identity of CQO Unitholders as at the Record Date and to determine their entitlements to the Scheme Consideration in accordance with the Scheme;
 - (ii) promptly execute proper instruments of transfer of, and register (or cause to be registered) all transfers of, the Scheme Units to the Bidders or their Nominees in accordance with the Scheme;
 - (iii) promptly do all other things contemplated by or necessary to give effect to the Scheme and the orders of the Court granting the Second Judicial Advice and to effect the transfer of the Scheme Units to the Bidders or their Nominees; and
 - (iv) enter into the New CQO Debt Facility and draw down on that facility on the Implementation Date the amount necessary:
 - (A) to fund that proportion of the distribution payable under clause 4.1(c)(i) which is not being funded by CQO available cash; and
 - (B) to refinance the CQO Existing Debt as at the Implementation Date;
- (l) **(information)** when reasonably requested to do so by the Bidders, provide (in electronic form) all necessary information, or have the registry of CQO provide all necessary information, to the Bidders and the Escrow Agent about CQO Unitholders which the Bidders reasonably require in order to:
 - (i) canvass approval of the Scheme by, or discuss the Scheme with, CQO Unitholders (including the results of directions by CHOML to CQO Unitholders under Part 6C.2 of the Corporations Act);
 - (ii) facilitate the provision by the Bidders of the Scheme Cash Consideration; or
 - (iii) facilitate the provision by the Escrow Agent of the Scheme Contingent Consideration;
- (m) **(representation)** allow, and not oppose, any application by the Bidders for leave of the Court to be represented, or the separate representation of the Bidders by counsel, at the Court hearings heard for the purposes of the Judicial Advice (as applicable) in relation to the Scheme;
- (n) **(quotation of CQO Units and ASX listing)** apply to ASX to have:
 - (i) trading in CQO Units suspended from the close of trading on the Effective Date; and
 - (ii) CQO removed from the official list of ASX from the close of trading on the Implementation Date or from such later time as determined by ASX,

in each case in sufficient time before the relevant date, and not do anything to cause these things to happen before the close of trading on the Effective Date or Implementation Date (as applicable);
- (o) **(keep the Bidders informed)** from the First Judicial Advice Date until the Implementation Date, promptly inform the Bidders if it becomes aware that the

Scheme Booklet is or has become misleading or deceptive in a material respect (whether by omission or otherwise);

- (p) **(Bidder Provided Information)** during the period until the Bidder Provided Information (or any information solely derived from, or prepared solely in reliance on, the Bidder Provided Information) becomes publicly available, only use that information with the prior written consent of the Bidders; and
- (q) **(all things necessary)** do all other things contemplated by or necessary to lawfully give effect to the Scheme.

6.2 Appeal process

If the Court refuses to grant the Judicial Advice, CHOML must appeal the Court's decision to the fullest extent possible (except to the extent that the Parties agree otherwise, or an independent Senior Counsel with at least 10 years' relevant experience advises that, in his/her view, an appeal would have no reasonable prospect of success before the End Date).

6.3 Bidder's obligations in respect of the Scheme

Each Bidder must take all steps reasonably necessary to assist CHOML to propose and implement the Scheme in accordance with the Timetable and otherwise as soon as is reasonably practicable, and in particular must:

- (a) **(provide information)** provide to CHOML the Bidder Provided Information in the form described in clause 6.5(d), which information must not be misleading or deceptive in any material respect (whether by omission or otherwise);
- (b) **(preparation of Scheme Booklet)** provide assistance with the preparation of the Scheme Booklet in accordance with clause 6.5;
- (c) **(Independent Expert's Report)** provide all assistance and information reasonably requested by CHOML or by the Independent Expert in connection with the preparation of the Independent Expert's Report;
- (d) **(ASIC and ASX relief)** consult with CHOML in relation to ASIC exemptions and modifications and ASX waivers and confirmations (as contemplated in clause 6.1(c));
- (e) **(approval of Scheme Booklet)** as soon as reasonably practicable after the form of the Scheme Booklet has been finalised, procure that the Bidder Board (or a committee or delegate of the Bidder Board) approves the Bidder Provided Information (as it appears in the Scheme Booklet) as being in a form appropriate for despatch to CQO Unitholders, and provide CHOML with its written consent to the despatch of the Bidder Provided Information in that form to CQO Unitholders;
- (f) **(keep CHOML informed)** from the First Judicial Advice Date until the Implementation Date, promptly inform CHOML if it becomes aware that the Bidder Provided Information, in the form and context in which it appears in the Scheme Booklet, is or has become misleading or deceptive in any material respect (whether by omission or otherwise), and provide to CHOML such further or new information as is required to ensure that no part of the Bidder Provided Information is misleading or deceptive in any material respect (whether by omission or otherwise) **(Supplementary Bidder Information)**;

- (g) **(Supplementary Disclosure)** consult with CHOML as to the manner of provision of any Supplementary Information to CQO Unitholders and promptly provide any comments to CHOML on drafts of Supplementary Disclosure provided to it by CHOML pursuant to clause 6.1(i);
- (h) **(Bidder Deed Poll)** prior to the First Judicial Advice Date, execute the Bidder Deed Poll;
- (i) **(Scheme Cash Consideration)** if the Scheme becomes Effective and subject to the terms of this agreement, provide, or procure the provision of, the Scheme Cash Consideration in accordance with this agreement, the Scheme and the Bidder Deed Poll on the Implementation Date;
- (j) **(CQO Provided Information)** during the period until the CQO Provided Information becomes publicly available, only use the CQO Provided Information with the prior written consent of CHOML;
- (k) **(New CQO Debt Facility)** procure that the New CQO Debt Facility is made available to be entered into by CHOML as required under clause 6.1(k)(iv); and
- (l) **(all things necessary)** do all other things reasonably within its power to lawfully give effect to the Scheme.

6.4 Escrow Agent's obligations in respect of the Scheme

The Escrow Agent must:

- (a) **(preparation of Product Disclosure Statement)** to the extent that the Escrow Account constitutes a financial product, and subject to any ASIC exemption or modification that may be obtained, prepare and issue a Product Disclosure Statement (to be incorporated in the Scheme Booklet) in relation to the Escrow Account;
- (b) **(provision of Financial Services Guide)** to the extent that the Escrow Account constitutes a financial product, and subject to any ASIC exemption or modification that may be obtained, if required under the Corporations Act, make available to each CQO Unitholder a financial services guide relating to the financial services provided in connection with the Escrow Account (or procure that Charter Hall makes available its financial services guide) in accordance with the Corporations Act;
- (c) **(ASIC relief)** consult with the Parties in relation to ASIC exemptions and modifications concerning the Escrow Account;
- (d) **(Escrow Agent Deed Poll)** prior to the First Judicial Advice Date, execute the Escrow Agent Deed Poll; and
- (e) **(Scheme Contingent Consideration)** if the Scheme becomes Effective and subject to the terms of this agreement, pay out of the Escrow Account the relevant parts of the Scheme Contingent Consideration in accordance with this agreement, the Scheme and the Escrow Agent Deed Poll on the dates specified in this agreement.

6.5 Preparation of Scheme Booklet

- (a) **(CHOML to prepare)** Subject to each Bidder complying with its obligations under clause 6.5(d), CHOML must prepare the Scheme Booklet as soon as is reasonably

practicable after the date of this agreement and otherwise substantially in accordance with the Timetable.

- (b) **(Compliance requirements)** CHOML must ensure that the Scheme Booklet (other than the Bidder Provided Information) complies with all applicable laws and regulatory guidance, in particular the requirements of the Corporations Act, the ASX Listing Rules, Guidance Note 15 and relevant ASIC Regulatory Guides (as applicable).
- (c) **(Content of Scheme Booklet)** Without limiting clause 6.5(b), the Scheme Booklet will include or be accompanied by:
 - (i) the Notice of Meeting;
 - (ii) a copy of the executed Bidder Deed Poll;
 - (iii) the Independent Expert's Report or a concise version of that report; and
 - (iv) the Responsibility Statement.
- (d) **(Bidder Provided Information)** Each Bidder must provide the Bidder Provided Information to CHOML as soon as is reasonably practicable after the date of this agreement and otherwise substantially in accordance with the Timetable, in a form that includes all information regarding that Bidder that is required by all applicable laws and regulatory guidance, in particular the requirements of the Corporations Act, the ASX Listing Rules, Guidance Note 15 and relevant ASIC Regulatory Guides (as applicable), and must:
 - (i) acting reasonably and in good faith, take into account any comments from CHOML and its Representatives on drafts of the Bidder Provided Information; and
 - (ii) provide to CHOML such assistance as CHOML may reasonably require in order to adapt the Bidder Provided Information for inclusion in the Scheme Booklet.
- (e) **(Review by Bidders)** CHOML must make available to each Bidder drafts of the Scheme Booklet (including any draft of the Independent Expert's Report, but excluding those sections containing the Independent Expert's opinions or conclusions), consult with the Bidders in relation to the content of those drafts (including the inclusion of any Bidder Provided Information and any information solely derived from, or prepared solely in reliance on, the Bidder Provided Information), and (acting reasonably and in good faith) take into account any comments from each Bidder and its Representatives on those drafts.
- (f) **(Dispute as to Scheme Booklet)** If, after a reasonable period of consultation and compliance by CHOML with its obligations under clauses 6.5(e), the Parties, each acting reasonably and in good faith, are unable to agree on the form or content of the Scheme Booklet, then:
 - (i) if the disagreement relates to the form or content of the Bidder Provided Information (or any information solely derived from, or prepared solely in reliance on, the Bidder Provided Information), CHOML will, acting in good faith, make such amendments to that information in the Scheme Booklet as the relevant Bidder may reasonably require; and

- (ii) if the disagreement relates to the form or content of the CQO Provided Information, CHOML will, acting in good faith, decide the final form of that information in the Scheme Booklet.
- (g) **(Verification)** CHOML must undertake appropriate verification processes in relation to the CQO Provided Information included in the Scheme Booklet, and each Bidder must undertake appropriate verification processes in relation to the Bidder Provided Information included in the Scheme Booklet.
- (h) **(Responsibility Statement)** The Parties agree that the Responsibility Statement is to be included in the Scheme Booklet.

7 Conduct of business and access

7.1 Conduct of CQO business

During the period from the date of this agreement until the Exclusivity Period ends, CHOML must:

- (a) procure that the CQO Group businesses are conducted in the ordinary course and consistent (subject to any applicable laws, regulations and Regulatory Approvals) with the manner in which those businesses were conducted prior to the date of this agreement;
- (b) to the extent consistent with the obligation in clause 7.1(a), use its reasonable endeavours to preserve intact the CQO Group's current business organisation, to keep available the services of its current Officers and to preserve the CQO Group's relationship with Governmental Agencies, financiers or lenders, tenants, customers, suppliers, licensors, licensees and others with whom it has business dealings;
- (c) ensure that no CQO Prescribed Occurrence occurs (other than a CQO Prescribed Occurrence described in paragraphs (n) and (w) of the definition of that term in the Dictionary, where the CQO Prescribed Occurrence occurs outside the control of CHOML); and
- (d) ensure that each member of the CQO Group which is a party to the US Sale Contract fully performs its obligations under the US Sale Contract,

except that nothing in this clause 7.1 will in any way restrict CHOML's ability to:

- (e) take or procure the taking of any action:
 - (i) required or permitted to be taken or procured by it, or otherwise contemplated, by the Transaction Documents;
 - (ii) fairly disclosed in announcements made to ASX prior to execution of this agreement; or
 - (iii) which each Bidder consents to in writing after the date of this agreement; or
- (f) make a Permitted Distribution.

7.2 Access to information and co-operation

- (a) **(Provision of access and information)** During the Exclusivity Period, CHOML must and must ensure that each member of the CQO Group:
- (i) complies with reasonable requests from the Bidders for information concerning the CQO Group's businesses and must give the Bidders reasonable access to the officers of CHOML and the records of the CQO Group, and otherwise provide reasonable co-operation to the Bidders, in each case for the purposes of:
 - (A) the implementation of the Scheme;
 - (B) the Bidders planning for controlling CQO following implementation of the Scheme;
 - (C) enabling the Bidders to complete their due diligence in relation to the Offshore Entities and any Offshore Liabilities prior to the Implementation Date;
 - (D) enabling the Bidders and their advisers to verify the proposed amount of the US Tax Holdback Amount; or
 - (E) any other purpose that is agreed in writing between the Parties,subject to the proper performance by the directors and officers of CHOML of their statutory and fiduciary duties; and
 - (ii) gives the Bidders reasonable access to the records of or information held by the CQO Group,
- provided in each case that privileged information may not be made available to the Bidders if CHOML forms the view, acting reasonably and having regard to legal advice received on the matter, that making such information available to the Bidders may result in privilege being lost.
- (b) **(Limits on CHOML obligations)** The obligations in clause 7.2(a) do not require CHOML to:
- (i) provide information to the Bidders concerning the Independent Director Committee's consideration of the Scheme or the consideration of any Competing Transaction by the CHOML Board (or any sub-committee of it); or
 - (ii) breach an obligation of confidentiality that is owed by CHOML to any person and which was entered into by CHOML prior to the date of this agreement.
- (c) The Parties acknowledge that all information that is provided pursuant to this clause 7.2 will be provided subject to the terms of the Confidentiality Deed.

8 Recommendation and Voting Intention

8.1 Recommendation and Voting Intention

CHOML must ensure that the Agreed Public Announcement and the Scheme Booklet state that each member of the Independent Director Committee:

- (a) recommends that CQO Unitholders vote in favour of the Scheme Resolutions (**Recommendation**); and
- (b) intends to cause any CQO Units in which they have a Relevant Interest to be voted in favour of the Scheme Resolutions (**Voting Intention**),

which statements must not be qualified in any way other than by words to the effect of “in the absence of a Superior Proposal” and (in the case of the Agreed Public Announcement only) “subject to the Independent Expert concluding that the Scheme is in the best interests of CQO Unitholders (other than the Excluded Unitholders)”.

Each Bidder acknowledges that each member of the Independent Director Committee may, at any time after the date of this agreement, publicly (or otherwise) withdraw, change or in any way qualify their Recommendation or Voting Intention if:

- (c) a Superior Proposal is made; or
- (d) the Independent Expert concludes in the Independent Expert’s Report that the Scheme is not in the best interests of CQO Unitholders (other than the Excluded Unitholders).

8.2 Confirmation

CHOML represents and warrant to the Bidders that each member of the Independent Director Committee has confirmed their agreement not to do anything inconsistent with their Recommendation and Voting Intention (including withdrawing, changing or in any way qualifying their Recommendation or Voting Intention) other than in the circumstances referred to in clauses 8.1(c) and 8.1(d).

9 Exclusivity

9.1 Termination of existing discussions

- (a) CHOML warrants that, as at the time of execution of this agreement:
 - (i) neither it nor any of its Representatives is involved in any negotiations or discussions in respect of any Competing Transaction (or which may reasonably be expected to lead to a Competing Transaction being proposed or made) with any Third Party; and
 - (ii) any negotiations or discussions of a kind referred to in clause 9.1(a)(i) that were on foot prior to the time of execution of this agreement have ceased.
- (b) If, before the date of this agreement, CHOML has provided any confidential information to a Third Party in relation to a possible Competing Transaction, CHOML must:
 - (i) to the extent it has not done so prior to the date of this agreement, promptly request in writing the immediate return or destruction by the Third Party (and any of its Representatives) of such confidential information; and
 - (ii) enforce its rights under any confidentiality or standstill agreement which it has entered into with such a Third Party in relation to CQO.

9.2 No-shop restriction

- (a) During the term of this agreement, CHOML must ensure that neither it nor any of its Representatives directly or indirectly solicits, invites, encourages or initiates any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any expression of interest, offer or proposal from any person in relation to a Competing Transaction.
- (b) Nothing in paragraph (a) prevents CHOML from continuing to make normal presentations to, or from responding to enquiries from, brokers, portfolio investors and analysts in the ordinary course in relation to the Transaction or CQO's businesses generally.

9.3 No-talk restriction

Subject always to clause 9.6, during the term of this agreement, CHOML must ensure that neither it nor any of its Representatives negotiates or enters into, continues or participates in negotiations or discussions with any other person regarding a Competing Transaction, even if:

- (a) that person's Competing Transaction was not directly or indirectly solicited, initiated, or encouraged by CHOML or any of its Representatives; or
- (b) that person has publicly announced their Competing Transaction.

9.4 No due diligence

Without limiting the general nature of clause 9.3, but subject always to clause 9.6, during the term of this agreement, CHOML must not:

- (a) solicit, invite, facilitate or encourage any Third Party to undertake a due diligence investigation on CQO or any of its Related Bodies Corporate; or
- (b) make available to any Third Party or permit any such person to receive any non-public information relating to CQO or any of its Related Bodies Corporate.

This clause 9.4 does not prevent CHOML providing information to the ASX or CQO's auditors and advisers acting in that capacity in the ordinary course of business.

9.5 Notification

Subject always to clause 9.6, during the term of this agreement, CHOML must immediately inform each Bidder if it is approached by any person to engage in any activity that would breach its obligations in clause 9.2, 9.3 or 9.4 (or would breach its obligations in clause 9.2, 9.3 or 9.4 if it were not for clause 9.6) and as soon as reasonably practicable provide in writing to each Bidder:

- (a) the identity of that person; and
- (b) details of the expression of interest and/or proposal or proposed Competing Transaction made by the person making the approach.

9.6 Exception

The restrictions in clauses 9.3 and 9.4 and the notification obligations in clause 9.5 do not apply to the extent that they restrict CHOML or the Independent Directors Committee from taking or refusing to take any action with respect to a bona fide Competing

Transaction (which was not encouraged, solicited, invited or initiated by CHOML or the Independent Director Committee in contravention of clause 9.2), or to the extent that they require CHOML to provide the notification referred to in clause 9.5, provided that the Independent Director Committee has determined, in good faith and acting reasonably, that:

- (a) the Competing Transaction is a Superior Proposal or is reasonably capable of becoming a Superior Proposal; and
- (b) failing to respond to such bona fide Competing Transaction or providing the notification referred to in clause 9.5 (as applicable) would be likely to constitute a breach of the fiduciary or statutory obligations of the members of the Independent Director Committee.

9.7 Matching right

- (a) CHOML must not, and must procure that its Representatives do not, enter into any agreement, arrangement or understanding in relation to a Competing Transaction with a Third Party (in this clause 9.7, a **Rival Transaction**), unless and until:
 - (i) it has given the Bidders full details of the Competing Transaction, including, without limitation, the identity of the Third Party which has proposed the Competing Transaction; and
 - (ii) it has given the Bidders at least five clear Business Days (**Matching Right Period**) to make an offer to improve the terms of the Scheme Consideration or to propose an alternative transaction (**Increased Offer**).

The Matching Right Period will start on the date on which CHOML gives each Bidder a written notice under this clause 9.7(a).

- (b) The Bidders will have the right, but will not be obliged, to make an Increased Offer.
- (c) If the Bidders make an Increased Offer, the Independent Director Committee must promptly determine, acting in good faith, whether the Increased Offer would be at least as favourable to CQO Unitholders (other than the Excluded Unitholders) as the Rival Transaction (**Relevant Test**).
- (d) After the Independent Director Committee makes a decision with respect to whether the Relevant Test has been satisfied (which decision the Independent Director Committee must make as quickly as reasonably practicable), CHOML must immediately give each Bidder a written notice advising of that decision (**Relevant Test Notice**).
- (e) If the Independent Director Committee determines that the Relevant Test has been satisfied:
 - (i) the Parties must each use reasonable endeavours and act in good faith to promptly agree the necessary amendments to this agreement, and to take all other necessary steps, to give effect to the Increased Offer; and
 - (ii) CHOML must:
 - (A) not enter into any agreement, arrangement or understanding in relation to the Rival Transaction;

- (B) continue to comply with its obligations under this agreement, including by confirming that the representation and warranty set out in clause 8.2 remains true and correct; and
- (C) subject to the amendments and steps referred to in sub-paragraph (i) having been made or taken (respectively), ensure that a public statement is made which states that each member of the Independent Director Committee supports the Increased Offer and does so in a consistent form with the Recommendation and Voting Intention statements in clause 8.1,

but it may notify the person(s) who proposed the Rival Transaction of the Independent Director Committee's decision.

- (f) If the Independent Director Committee determines that the Relevant Test has not been satisfied and the Matching Right Period ends without the Relevant Test having been satisfied (including where the Bidders do not make an Increased Offer), CHOML may enter into an agreement, arrangement or understanding in relation to the Rival Transaction and may otherwise exercise its rights under this agreement (provided that it has given each Bidder the Relevant Test Notice, if applicable).
- (g) If the Bidders make an Increased Offer before the end of the Matching Right Period but the Relevant Test Notice has not been given by the end of that period, the period will be deemed to end when the Relevant Test Notice is given to the Bidders.
- (h) Each time a proposal in respect of a Rival Transaction is amended or revised and such amendment or revision submitted to CHOML, CHOML must comply with all of its obligations, and each Bidder will have the same rights, under this clause 9.7 as though the amended or revised proposal were a new one.
- (i) CHOML represents and warrant to the Bidders that each member of the Independent Director Committee has confirmed that they will act in accordance with this clause 9.7.

10 Break Fee

10.1 Background

This clause 10 has been agreed to in circumstances where:

- (a) CHOML and the Independent Director Committee believe the implementation of the Scheme will provide significant benefits to the CQO Unitholders (other than the Excluded Unitholders) and CHOML;
- (b) CHOML acknowledges that each Bidder has incurred, or will incur, significant costs, including:
 - (i) external advisory costs and fees in planning and implementing the Transaction;
 - (ii) internal costs of a similar kind (including directors and management time costs, risk management costs and capital costs);

- (iii) out of pocket expenses incurred by employees, advisers and agents of the Bidder in planning and implementing the Transaction; and
 - (iv) opportunity costs in pursuing the Transaction or in not pursuing alternative acquisitions or strategic initiatives,
- directly or indirectly as a result of pursuing the Transaction, and will incur further costs if the Transaction is not successful;
- (c) each Bidder has requested that provision be made for the payments outlined in this clause 10, without which that Bidder would not have entered into this agreement; and
 - (d) CHOML has received separate legal advice in relation to this agreement and the operation of this clause.

The Parties acknowledge and agree that the costs actually incurred by Bidders as referred to in clause 10.1(b) will be of such a nature that they cannot be accurately ascertained, but that the Break Fee is a genuine and reasonable pre-estimate of the cost and loss that could actually be suffered by the Bidders if the Scheme is not implemented.

10.2 Payment of Break Fee by CHOML

Subject to clauses 10.3 and 10.4, CHOML must pay the Bidders the Break Fee (in their Specified Acquisition Proportions) if:

- (a) any member of the Independent Director Committee makes a public statement withdrawing or adversely changing or modifying their Recommendation or Voting Intention (or fails to make any public statement required by clause 9.7(e)(ii)(C)), including in each case as a result of a Superior Proposal (but provided that CHOML will not be required to pay the Bidders the Break Fee under this clause 10.2(a) if the relevant public statement is made as a result of the Independent Expert concluding in the Independent Expert's Report that the Scheme is not in the best interests of CQO Unitholders (other than the Excluded Unitholders), where the reason such conclusion has been reached (as explained in the Independent Expert's Report) is not the existence of a Superior Proposal); or
- (b) the Bidders validly terminate this agreement in accordance with clause 13.1(b)(ii) or 13.2 and, at the time the Bidder does so, CHOML does not have a right to validly terminate this agreement in accordance with clause 13.1(a)(ii), provided that, in the case of a termination under clause 13.2(a) or 13.2(b), CHOML will not be required to pay the Bidders the Break Fee under this clause 10.2(b) if the relevant public statement (in respect of clause 13.2(a)) or recommendation (in respect of clause 13.2(b)) is made as a result of the Independent Expert concluding in the Independent Expert's Report that the Scheme is not in the best interests of CQO Unitholders (other than the Excluded Unitholders), where the reason such conclusion has been reached (as explained in the Independent Expert's Report) is not the existence of a Superior Proposal; or
- (c) at any time prior to the valid termination of this agreement, an actual or proposed Competing Transaction is announced by a Third Party and, within 12 months of such announcement, that Third Party or an Associate of the Third Party obtains Control of, or merges with, CQO.

10.3 Timing of payment

CHOML must pay the Break Fee without set-off or withholding within 15 Business Days of receipt of a written demand for payment from the Bidders, which demand must set out the circumstances giving rise to the payment.

10.4 Compliance with law

If it is finally determined by the Takeovers Panel or a court that all or any part of a Break Fee (**Impugned Amount**):

- (a) is unenforceable or would, if paid, be unlawful for any reason; or
 - (b) constitutes or would, if performed, constitute:
 - (i) a breach of the fiduciary or statutory duties of the CHOML Board or the Independent Director Committee; or
 - (ii) unacceptable circumstances within the meaning of the Corporations Act or breach an order of the Takeovers Panel,
- then:
- (c) the requirement to pay that Break Fee does not apply to the extent of the Impugned Amount (but CHOML must comply with its obligations under this agreement with respect to payment of the balance of that Break Fee); and
 - (d) if the Bidders have received the Impugned Amount, it must refund it within 5 Business Days of the final determination being made.

10.5 Exclusive remedy

Each Bidder acknowledges and agrees that, if any amount is paid to it under this clause 10 in respect of a particular act or event (or series of related acts or events), that payment constitutes its sole and exclusive remedy for any liability arising under or in connection with this agreement in respect of that act or event (or series of related acts or events).

10.6 No application to court

No Party may make any application to a court, arbitral tribunal or the Takeovers Panel for or in relation to a determination referred to in clause 10.4 without the written consent of the other Parties.

10.7 Submissions

If a Third Party makes any application to a court, arbitral tribunal or the Takeovers Panel for or in relation to a determination referred to in clause 10.4, then the Parties must make submissions in the course of those proceedings supporting to the fullest extent reasonably practicable the position that no such determination should be made.

10.8 Other Claims

Despite anything else contained in this agreement:

- (a) no Break Fee is payable if the Scheme becomes Effective, even if an event or circumstance specified in clause 10.2 exists or occurs; and

- (b) CHOML can only ever be liable to pay the Break Fee once.
-

11 Public announcements, Communications and confidentiality

11.1 Required announcements

- (a) On the Announcement Date, CHOML must release the Agreed Public Announcement.
- (b) Subject to clause 11.3, where a Party is required by applicable law, the ASX Listing Rules or any other applicable stock exchange regulation to make any announcement or to make any disclosure in connection with this agreement (including its termination), the Scheme or any other transaction contemplated by this agreement or the Scheme, it may do so only after it has given the other Parties as much notice as is reasonably practicable in the context of any deadlines imposed by law or applicable requirement and consulted with the other Parties about the content of the announcement or disclosure. Nothing in this clause 11.1(b) requires the giving of prior notice or the taking of any action if doing so would lead to a Party breaching an applicable law, the ASX Listing Rules or any other stock exchange regulation.

11.2 Agreement on other Communications

Except in relation to Communications regulated by clause 11.1 and to the extent permitted by applicable law:

- (a) CHOML and the Bidders must in good faith and on a timely and pragmatic basis consult with each other and agree in advance any material aspect (including the timing, form, content and manner) of any Communications with any Governmental Agency in relation to the implementation of the Scheme (other than with the Treasurer or the Foreign Investment Review Board), whether or not such Communications are for the purposes of satisfying a Condition Precedent;
- (b) each Party must provide copies to the other Parties of any Communications of a kind referred to in clause 11.2(a) that are in writing promptly upon despatch or receipt of such Communications; and
- (c) each Party will have the right to be represented at, and to make submissions at or for the purposes of, any meeting with any Governmental Agency (other than FIRB) in relation to any Regulatory Approval or otherwise in connection with the Transaction.

11.3 Disclosure on termination of this agreement

The Parties agree that, if this agreement is terminated under clause 13, either of them may disclose by way of a public announcement the fact that this agreement has been terminated provided, where reasonably practicable, that Party consults with the other Parties as to (and gives the other Parties a reasonable opportunity to comment on) the form and content of the announcement prior to its disclosure.

11.4 Confidentiality Deed

Except as set out in clause 11.3, the Parties acknowledge and agree that:

- (a) they continue to be bound by the Confidentiality Deed after the date of this agreement; and

- (b) the rights and obligations of the Parties under the Confidentiality Deed survive termination of this agreement.
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12 Representations and warranties

12.1 Bidder Warranties

Each Bidder represents and warrants to CHOML (except as consented to in writing by CHOML), Charter Hall (except as consented to in writing by Charter Hall) and the Escrow Agent (if not Charter Hall) (except as consented to in writing by the Escrow Agent) that on the date of this agreement and on the Second Judicial Advice Date the following statements are true and correct in respect of it:

- (a) it is a corporation validly existing under the laws of its place of incorporation;
- (b) it has the power to enter into and perform its obligations under this agreement and to carry out the transactions contemplated by this agreement;
- (c) it has taken all necessary corporate action to authorise the entry into this agreement and has taken or will take all necessary corporate action to authorise the performance of this agreement;
- (d) this agreement is a valid and binding obligation of it and enforceable in accordance with its terms;
- (e) it is solvent and no resolutions have been passed nor has any other step been taken or legal proceedings commenced or threatened against it for the winding up, dissolution or termination of it or for the appointment of a liquidator, receiver, administrator, or similar officer over any or all of its assets; and
- (f) the execution and performance by it of this agreement and each transaction contemplated by this agreement did not and will not violate in any respect a provision of:
 - (i) a law or treaty or a judgment, ruling, order or decree binding on it; or
 - (ii) its constitution.

12.2 Escrow Agent Warranties

The Escrow Agent represents and warrants to the Parties that (except as consented to in writing by the Parties) on the date of this agreement and on the Second Judicial Advice Date the following statements are true and correct in respect of it:

- (a) it is a corporation validly existing under the laws of its place of incorporation;
- (b) it has the power to enter into and perform its obligations under this agreement and to carry out the transactions contemplated by this agreement;
- (c) it has taken all necessary corporate action to authorise the entry into this agreement and has taken or will take all necessary corporate action to authorise the performance of this agreement;
- (d) this agreement is a valid and binding obligation of it and enforceable in accordance with its terms;

- (e) it is solvent and no resolutions have been passed nor has any other step been taken or legal proceedings commenced or threatened against it for the winding up, dissolution or termination of it or for the appointment of a liquidator, receiver, administrator, or similar officer over any or all of its assets;
- (f) the execution and performance by it of this agreement and each transaction contemplated by this agreement did not and will not violate in any respect a provision of:
 - (i) a law or treaty or a judgment, ruling, order or decree binding on it; or
 - (ii) its constitution; and
- (g) in the case of Charter Hall only:
- (h) if it is the Escrow Agent, it has all the necessary Authorisations (including any necessary authorisations under its Australian Financial Services Licence) to act as Escrow Agent under this agreement; and
- (i) if a Related Body Corporate of Charter Hall is appointed to act as Escrow Agent in the circumstances described in clause 4.2(g)(ii), Charter Hall represents and warrants to the Parties that (except as consented to in writing by the Parties) on the date of such appointment and on the Second Judicial Advice Date, it has all the necessary Authorisations (including any necessary authorisations under its Australian Financial Services Licence) to make offers to people to arrange for the issue of the financial products constituted by the Scheme Contingent Consideration in the manner contemplated by section 911A(2)(b) of the Corporations Act.

12.3 CHOML Warranties

CHOML represents and warrants to each Bidder that (except as consented to in writing by the Bidders) on the date of this agreement and on the Second Judicial Advice Date, and at all times in between, the following statements are true and correct (other than the statement in clause 12.3(r), which CHOML represents and warrants is true and correct at the times referred to in that clause, subject to the same exception for the written consent of the Bidders):

- (a) CHOML is a corporation validly existing under the laws of its place of incorporation;
- (b) CQO is validly established and registered as a "registered scheme" under Chapter 5C of the Corporations Act;
- (c) CHOML has full corporate power and lawful authority to:
 - (i) own its property and to carry on CQO's business in the capacity of responsible entity of CQO; and
 - (ii) enter into and perform its obligations under this agreement and, subject to the satisfaction or, as appropriate, waiver of each Condition Precedent, to carry out the transactions contemplated by this agreement;
- (d) CHOML has taken all necessary corporate action to authorise the entry into this agreement and has taken or will take all necessary corporate action to authorise the performance of this agreement in accordance with and subject to its terms;
- (e) CHOML holds each Authorisation that is necessary to enable the proper conduct of CQO's business and any conditions to which such an Authorisation is subject have

been complied with where non-compliance would have a materially adverse impact on the conduct of CQO's business;

- (f) this agreement is CHOML's legal, valid and binding obligation enforceable in accordance with its terms;
- (g) the execution and performance by CHOML of this agreement and each transaction contemplated by this agreement in each case in accordance with and subject to the terms of this agreement did not and will not violate in any respect a provision of:
 - (i) a law or treaty or a judgment, ruling, order or decree binding on it; or
 - (ii) CHOML's constitution or the Trust Constitution;
- (h) no member of the CQO Group is Insolvent; and
- (i) as at the date of this agreement, to the knowledge of the Independent Director Committee, neither ASIC nor ASX (as applicable) has made a determination against CHOML for any contravention of the requirements of the Corporations Act or the ASX Listing Rules or any rules, regulations or regulatory guides under the Corporations Act or the ASX Listing Rules;
- (j) to the best of CHOML's knowledge and belief, CHOML and each member of the CQO Group:
 - (i) has complied in all material respects with all Australian and foreign laws and regulations applicable to it and orders of Australian and foreign Government Agencies having jurisdiction over it;
 - (ii) is not in breach of a material provision of a Material Contract nor has anything occurred which:
 - (A) constitutes, or would with the giving of notice or lapse of time constitute, an event of default, prepayment event or similar event under a Material Contract; or
 - (B) gives another party to a Material Contract a termination right or right to accelerate any right or obligation under that Material Contract where the exercise of the right or performance of the obligation would result in the termination of that Material Contract;
- (k) CHOML is the only trustee and responsible entity of CQO and, so far as CHOML is aware, no action has been taken or proposed to remove it as trustee or responsible entity of CQO (other than action disclosed to ASX prior to the date of this agreement);
- (l) so far as CHOML is aware, no action has been taken or proposed to, either:
 - (i) terminate CQO; or
 - (ii) wind-up CQO whether under Chapter 5C of the Corporations Act or otherwise;
- (m) CHOML has a right to be fully indemnified out of the assets of CQO in respect of obligations incurred by it under this agreement, and there is nothing that would prevent CHOML from being fully indemnified out of the assets of CQO for any of its

obligations under this agreement, or any of the transactions contemplated by this agreement;

- (n) CQO's financial statements as disclosed to ASX have been prepared in accordance with applicable Australian accounting standards and there has not been any event which would require such accounts to be restated;
- (o) so far as CHOML is aware, the CQO Disclosed Information is not misleading or deceptive in any material respect (whether by omission or otherwise);
- (p) the task of sourcing and providing the CQO Disclosed Information to the Bidders and their Representatives has been undertaken in good faith and with reasonable care, and no material information has been deliberately withheld by CHOML or its Representatives other than where CHOML or its Representatives have advised the Bidders or their Representatives that such information will not be provided;
- (q) there are 493,319,730 CQO Units on issue, and no person has any right to be issued any CQO Units or any securities in any other member of the CQO Group;
- (r) to the best of CHOML's knowledge and belief, on the date of this agreement (following the making of the Agreed Public Announcement by CHOML), the First Judicial Advice Date, the date of the Scheme Meeting and the Second Judicial Advice Date, CHOML is not in breach of any continuous disclosure obligations under ASX Listing Rule 3.1 and no information is being withheld from public disclosure in reliance on ASX Listing Rule 3.1A;
- (s) the Offshore Entities are the only non-Australian members of the CQO Group;
- (t) there are no material Offshore Liabilities; and
- (u) without limiting clause 12.3(t), to the best of CHOML's knowledge and belief, no member of the CQO Group has done anything which may give rise to a Claim against any of the Offshore Entities:
 - (i) under clause 1.3 of the US Sale Contract;
 - (ii) under the Berlin Sale Contract;
 - (iii) under the Frankfurt Sale Contract; or
 - (iv) under the Milan Property Sale Contract.

12.4 Qualification

CHOML is not liable in respect of any Claim for breach of a representation or warranty set out in clause 12.3 if the fact, matter or circumstance giving rise to the Claim was fairly disclosed in writing in the CQO Disclosed Information prior to execution of this agreement.

12.5 Reliance by Parties

Each of CHOML, the Escrow Agent and the Bidders (each a **Representor** in this clause 12.5) acknowledges that:

- (a) in entering into this agreement each other Representor has relied on the representations and warranties provided by the Representor under this clause 12;

- (b) any breach of the representations and warranties provided by the Representor under this clause 12 after the Second Judicial Advice has been granted may only give rise to a claim in damages and cannot result in a termination of this agreement (except under clause 3.5 for breach or non-fulfilment of the Condition Precedent in clause 3.1(j) or clause 3.1(o)); and
- (c) it has not entered into this agreement in reliance on any warranty or representation made by or on behalf of any other Representor except those warranties and representations set out in this agreement. This acknowledgment does not prejudice the rights any Representor may have in relation to the CQO Provided Information, the CQO Disclosed Information, the Bidder Provided Information or any information filed with ASX or ASIC.

12.6 Notifications

Each Representator will promptly advise each other Representator in writing if it becomes aware of any fact, matter or circumstance that constitutes or may constitute a breach of any of the representations or warranties given by it under this clause 12.

12.7 Status of representations and warranties

Each representation and warranty in this clause 12:

- (a) is severable;
- (b) will survive the termination of this agreement; and
- (c) is given with the intent that liability under it will not be confined to breaches that are discovered prior to the date of termination of this agreement.

13 Termination

13.1 Termination by CHOML or a Bidder

- (a) CHOML may terminate this agreement by notice to the Bidders and Charter Hall:
 - (i) in accordance with clause 3.5; or
 - (ii) at any time before the Implementation Date if a Bidder commit a material breach of any clause of this agreement (including a breach of a Bidder Warranty), provided that CHOML has given notice to the Bidders and the Escrow Agent setting out the relevant circumstances and stating an intention to terminate this agreement, and the relevant circumstances have continued to exist for five Business Days (or any shorter period ending immediately prior to the Implementation Date) from the time such notice is given.
- (b) Each Bidder may terminate this agreement by notice to CHOML, the Escrow Agent and the other Bidders:
 - (i) in accordance with clause 3.5; or
 - (ii) at any time before the Implementation Date if CHOML commits a material breach of any clause of this agreement (including a breach of a CHOML Warranty), provided that the Bidder has given notice to CHOML and the Escrow Agent setting out the relevant circumstances and stating an intention to terminate this agreement, and the relevant circumstances have continued

to exist for five Business Days (or any shorter period ending immediately prior to the Implementation Date) from the time such notice is given.

13.2 Termination by Bidders

A Bidder may terminate this agreement at any time before 8:00am on the Second Judicial Advice Date by notice in writing to CHOML and the Escrow Agent:

- (a) if any member of the Independent Director Committee makes a public statement withdrawing or adversely changing or modifying their Recommendation or Voting Intention, including in each case as a result of a Superior Proposal, or any member of the Independent Director Committee fails to make any public statement required by clause 9.7(e)(ii)(C); or
- (b) if a Competing Transaction is announced, proposed, or becomes open for acceptance and any member of the Independent Board Committee recommends that Competing Transaction.

13.3 Termination by CHOML

CHOML may terminate this agreement at any time before 8:00am on the Second Judicial Advice Date by notice in writing to each Bidder and the Escrow Agent if a majority of members of the Independent Director Committee validly withdraw or change their Recommendation, including so that they can recommend a Superior Proposal and provided that the only circumstances in which the members of the Independent Director Committee can validly withdraw their Recommendation are those referred to in clauses 8.1(c) and 8.1(d).

13.4 Effect of termination

In the event of termination of this agreement by either Bidders or CHOML pursuant to clause 13.1 or 13.2, this agreement will have no further force or effect and the Parties and the Escrow Agent will have no further obligations under this agreement, provided that:

- (a) this clause 13 and clauses 1, 10, 11.3, 11.4, 14, 15 and 16, and Schedule 1, will survive termination; and
- (b) each Party will retain any accrued rights and remedies, including any rights and remedies it has or may have against any other Party in respect of any past breach of this agreement.

14 GST

14.1 Definitions

In this clause 14:

Consideration has the meaning given by the GST Law.

GST has the meaning given by the GST Law.

GST Amount means in relation to a Taxable Supply the amount of GST payable in respect of that Taxable Supply.

GST Group has the meaning given by the GST Law.

GST Law has the meaning given by A New Tax System (Goods and Services Tax) Act 1999 (Cth), or, if that Act does not exist means any Act imposing or relating to the imposition or administration of a goods and services tax in Australia and any regulation made under that Act.

Input Tax Credit has the meaning given by the GST Law and a reference to an Input Tax Credit entitlement of a person includes an Input Tax Credit for an acquisition made by that person but to which another member of the same GST Group is entitled under the GST Law.

Recipient has the meaning given by the GST Law.

Tax Invoice has the meaning given by the GST Law.

Taxable Supply has the meaning given by the GST Law excluding the reference to section 84-5 of A New Tax System (Goods and Services Tax) Act 1999 (Cth).

14.2 GST to be added to amounts payable

If GST is payable on a Taxable Supply made under, by reference to or in connection with this agreement, the person providing the Consideration for that Taxable Supply must also pay the GST Amount as additional Consideration. This clause does not apply to the extent that the Consideration for the Taxable Supply is expressly stated to be GST inclusive. Payment of the GST Amount is conditional upon the prior delivery to the Recipient of a valid Tax Invoice.

14.3 Liability net of GST

Any reference in the calculation of Consideration or of any indemnity, reimbursement or similar amount to a cost, expense or other liability incurred by a person, must exclude the amount of any Input Tax Credit entitlement of that person in relation to the relevant cost, expense or other liability. A person will be assumed to have an entitlement to a full Input Tax Credit unless it demonstrates otherwise prior to the date on which the Consideration must be provided.

14.4 Cost exclusive of GST

Any reference in this agreement (other than in the calculation of Consideration) to cost, expense or other similar amount (**Cost**), is a reference to that Cost exclusive of GST.

14.5 GST obligations to survive termination

This clause 14 will continue to apply after expiration or termination of this agreement.

15 Trustees' limitation on liability

15.1 Limitation of CHOML's liability

- (a) This clause 15.1 applies despite any other provisions of this agreement and, to the extent of any inconsistency between the operation of this clause and any other provision of this agreement, the terms of this clause 15.1 will prevail.
- (b) CHOML enters into this agreement only in its capacity as responsible entity of CQO and in no other capacity.

- (c) A liability of CHOML arising under or in connection with this agreement is limited to the amount CHOML actually receives in the exercise of its right to indemnity out of the assets of CQO.
- (d) CHOML must exercise its rights of indemnification from the assets of CQO in order to satisfy its obligations under this agreement.
- (e) The limitation of CHOML's liability applies despite any other provision of this agreement and extends to all liabilities and obligations of CHOML in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this agreement.
- (f) A Bidder, Charter Hall or the Escrow Agent may not sue CHOML in any capacity other than as the responsible entity and trustee of CQO including seeking the appointment of a receiver (except in relation to property of CQO), a liquidator, an administrator or any similar person to CHOML or prove in any liquidation, administration or arrangement of or affecting CHOML (except in relation to property of CQO).
- (g) The provisions of this clause 15.1 shall not apply to any obligation or liability of CHOML to the extent that it is not satisfied because under the Trust Constitution or by operation of law there is a reduction in the extent of CHOML's indemnification out of the assets of CQO, as a result of CHOML's fraud, negligence or breach of trust.
- (h) CHOML is not obliged to do or refrain from doing anything under this agreement (including incur liability) unless CHOML's liability is limited in the same manner as set out in this clause 15.1.

15.2 Limitation on CHFML's liability

- (a) This clause 15.2 applies despite any other provisions of this agreement and, to the extent of any inconsistency between the operation of this clause and any other provision of this agreement, the terms of this clause 15.2 will prevail.
- (b) Except for its obligations under this agreement as the Escrow Agent, CHFML enters into this agreement as responsible entity of the Trust and in no other capacity.
- (c) Subject to paragraph (e), the recourse of the Parties (other than CHFML), Charter Hall or the Escrow Agent to CHFML in respect of any Obligations is limited to the extent to which CHFML is entitled to be, and is actually, indemnified in respect of that Obligation out of the Assets of the Trust.
- (d) Subject to paragraph (e), if any Party other than CHFML, Charter Hall or the Escrow Agent does not recover all money owing to it arising from non-performance of the Obligations, it may not seek to recover the shortfall by:
 - (i) bringing proceedings against CHFML in its personal capacity; or
 - (ii) seeking the appointment of a receiver (except in relation to the property of the Trust), a liquidator, an administrator or any similar person to CHFML or proving in any liquidation, administration or arrangement of or affecting CHFML (except in relation to property of the Trust).

- (e) The restrictions in paragraphs (c) and (d) do not apply to:
- (i) any Obligation to the extent to which there is, whether under the Constitution or by operation of law or equity, a reduction in the extent of CHFML's indemnification, or a loss of CHFML's right of indemnification, out of the Assets of the Trust as a result of any fraud, negligence or breach of trust on the part of CHFML;
 - (ii) any liability of CHFML for any misrepresentation or breach of warranty by CHFML under paragraph (f) of this clause 15.2; or
 - (iii) any Obligation where CHFML fails to exercise, or has released or waived, any right of indemnity it has under the Constitution in relation to that Obligation.
- (f) CHFML makes the following representations and warranties in relation to the Trust and the Constitution on the date of this agreement:
- (i) **(Trust power)** It is empowered by the Constitution to enter into and perform its obligations under this agreement.
 - (ii) **(Trust authorisations)** All necessary resolutions have been duly passed and all consents, approvals and other procedural matters have been obtained or attended to as required by the Constitution for it to enter into and perform this agreement.
 - (iii) **(Sole trustee and responsible entity)** It is the sole trustee and responsible entity of the Trust.
 - (iv) **(No termination)** The Trust has not been terminated, nor has any event for the vesting of the Assets of the Trust or the winding-up of the Trust occurred or become known to CHFML.
 - (v) **(Right of indemnity)** Its right of indemnity out of, and lien over, the assets of the Trust for any liability incurred by it in properly performing or exercising any of its powers or duties in relation to the Trust are not under any express limitation, subject any limitation imposed by law.
- (g) In this clause 15.2:
- (i) **"Assets"** includes all assets, property and rights of the Trust (real and personal of any value whatsoever);
 - (ii) **"CHFML"** means Charter Hall Funds Management Limited (ABN 57 113 531 150) or any replacement responsible entity of the Trust from time to time;
 - (iii) **"Constitution"** means the constitution governing the Trust;
 - (iv) **"Obligations"** means, except for its obligations under this agreement as the Escrow Agent, all obligations and liabilities of whatever kind undertaken or incurred by, or devolving upon, CHFML under or in respect of this agreement, including any obligation or liability of CHFML which arises under or in connection with any representation, warranty, conduct, omission, agreement or transaction related to this agreement; and
 - (v) **"Trust"** means the Charter Hall Property Trust (ARSN 113 339 147).

16 Miscellaneous

16.1 Notices

- (a) Unless expressly stated otherwise in this agreement, a notice, consent, approval, waiver or other communication sent by a Party, Charter Hall, the Escrow Agent (if not Charter Hall) or the CQO Committee (in this clause 16.1, the **Sender**) under this agreement (**Notice**) must be:
- (i) in writing;
 - (ii) signed by an authorised representative of the Sender or in the case of the CQO Committee, by a CQO Committee Member (unless sent by email); and
 - (iii) marked for the attention of the person named below (unless sent by email), and must be:
 - (iv) left at, or sent by prepaid ordinary post (airmail if posted to or from a place outside Australia) to, the address specified below;
 - (v) sent by fax to the number specified below; or
 - (vi) sent by email to the address specified below. If a Notice is sent by email, the email must state the first and last name of the sender, who must be an authorised representative of the Sender.

CHOML / CQO Committee

Attention: Adrian Taylor
Address: Level 11, 333 George Street, Sydney, NSW 2000
Fax: +61 2 8908 4040
Email: Adrian.Taylor@charterhall.com.au
with an additional copy to:
tbancroft@gtlaw.com.au (by email)

Reco

Attention: Cai Wenzheng, Esther Teo
Address: 168 Robinson Road, #37-01, Capital Tower, Singapore 068912
Fax: +65 6889 6869
Email: caiwenzheng@gic.com.sg, estherteo@gic.com.sg
for legal notices, with an additional copy to:
c/o Government of Singapore Investment Corporation Pte Ltd, 168 Robinson Road, #37-01 Capital Tower, Singapore 068912, Attention: General Counsel (by airmail)

PSP

Attention: First Vice President, Real Estate Investments; Copy to: First Vice President and Chief Legal Officer
Address: 1250, Rene-Levesque Blvd West, Suite 900, Montreal, Quebec, Canada H3B 4W8
Facsimile: 514-937-0390
Email: ncunningham@investpsp.ca
with an additional copy to:
514-937-0403 (by fax), legalnotices@investpsp.ca (by email)

CHPT

Attention: General Counsel - Charter Hall Group
Address: Level 11, 333 George Street, Sydney, NSW 2000
Facsimile: +61 2 8908 4090
Email: Natalie.Allen@charterhall.com.au
with an additional copy to:
Bart Price, Senior Corporate Finance Manager Bart.Price@charterhall.com.au (by email)

Charter Hall

Attention: General Counsel - Charter Hall Group
Address: Level 11, 333 George Street, Sydney, NSW 2000
Facsimile: +61 2 8908 4090
Email: Natalie.Allen@charterhall.com.au
with an additional copy to:
Bart Price, Senior Corporate Finance Manager Bart.Price@charterhall.com.au (by email)

- (b) Subject to clause 16.1(c), a Notice is taken to be received:
- (i) if sent by delivery, when it is delivered;
 - (ii) if sent by post, three days after posting (or seven days after posting if sent from one country to another);
 - (iii) if sent by fax, at the time shown in the transmission report as the time that the whole fax was sent; or
 - (iv) if sent by email:
 - (A) when the Sender receives an automated message confirming delivery; or

- (B) four hours after the time sent (as recorded on the device from which the Sender sent the email), provided that the Sender does not receive an automated message that the email has not been delivered,

whichever happens first.

- (c) If a Notice is received or taken to be received under 16.1(b) after 5.00pm or on a day other than a Business Day, it will be taken to be received at 9.00am on the next Business Day.

16.2 No waiver

No failure to exercise nor any delay in exercising any right, power or remedy by a Party, Charter Hall or the Escrow Agent operates as a waiver. A single or partial exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy. A waiver of any right, power or remedy on one or more occasions does not operate as a waiver of that right, power or remedy on any other occasion, or of any other right, power or remedy. A waiver is not valid or binding on the Party, Charter Hall or the Escrow Agent granting that waiver unless made in writing.

16.3 Remedies cumulative

The rights, powers and remedies provided to each Party, Charter Hall or the Escrow Agent in this agreement are in addition to, and do not exclude or limit, any right, power or remedy provided by law or equity or by any agreement.

16.4 Entire agreement

This agreement and the Confidentiality Deed contain the entire agreement between the Parties, Charter Hall or the Escrow Agent as at the date of this agreement with respect to its subject matter and supersedes all prior agreements and understandings between the Parties in connection with it.

16.5 Amendment

No amendment or variation of this agreement is valid or binding on a Party, Charter Hall or the Escrow Agent unless made in writing executed by the Parties, Charter Hall and the Escrow Agent, which may so make an amendment or variation notwithstanding that one or more other Parties, Charter Hall or the Escrow Agent or persons may be entitled to the benefit of all or any of the provisions of this agreement. Any such amendment made after the Second Judicial Advice Date must be approved by the CQO Committee.

16.6 Assignment

- (a) Subject to clause 16.6(b), the rights and obligations of each Party, Charter Hall or the Escrow Agent under this agreement are personal; they cannot be assigned, encumbered or otherwise dealt with and no Party, Charter Hall or the Escrow Agent may attempt, or purport, to do so without the prior consent of the other Parties, Charter Hall or the Escrow Agent (as the case requires).
- (b) A Bidder which has nominated a Nominee to take a transfer of Scheme Units under clause 4.1(c) may, once that Nominee has received that transfer of those Scheme Units, assign its rights and novate its obligations under this agreement to that Nominee. If a Bidder does nominate a Nominee in accordance with this agreement and seeks to assign its rights and novate its obligations, each other Party agrees that it will, upon request, execute a deed of novation to give effect to the novation

and agrees that where the Nominee is a trust, the novation deed will include a provision setting out the relevant trustee's limitation on liability.

16.7 No merger

The rights and obligations of the Parties, Charter Hall and the Escrow Agent will not merge on the completion of any transaction contemplated by this agreement. They will survive the execution and delivery of any assignment or other document entered into for the purpose of implementing a transaction.

16.8 Further assurances

Each Party, Charter Hall or the Escrow Agent agrees to do all things and execute all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the provisions of this agreement and the transactions contemplated by it.

16.9 Costs and stamp duty

Except as provided below or elsewhere in this agreement, including as provided under clause 4, each Party, Charter Hall or the Escrow Agent must bear its own costs, charges and expenses arising out of or incidental to the negotiations leading to or the preparation of this agreement and the proposed, attempted or actual implementation of this agreement. Each Bidder must pay, in their Specified Acquisition Proportions, any stamp duty that is payable on the transfer to that Bidder of the Scheme Securities pursuant to the Scheme.

16.10 Severability of provisions

Any provision of this agreement that is prohibited or unenforceable in any jurisdiction is ineffective as to that jurisdiction to the extent of the prohibition or unenforceability. That does not invalidate the remaining provisions of this agreement nor affect the validity or enforceability of that provision in any other jurisdiction.

16.11 Governing law and jurisdiction

This agreement is governed by the laws of New South Wales. Each Party, Charter Hall and the Escrow Agent submits to the non exclusive jurisdiction of courts exercising jurisdiction there in connection with matters concerning this agreement.

16.12 Counterparts

This agreement may be executed in any number of counterparts. All counterparts together will be taken to constitute one instrument.

Schedule 1 — Dictionary

1 Dictionary

Adviser means, in relation to an entity, a financier, financial adviser, corporate adviser, legal adviser or technical or other expert adviser or consultant who provides advisory services in a professional capacity to the market in general and who has been engaged by that entity.

Agreed Public Announcements means the ASX announcement to be made by CHOML following execution of this agreement, as approved by the Bidders on or around the date of this agreement.

Announcement Date means:

- (a) the date on which this agreement is executed; or
- (b) if this agreement is executed on a day that is not a Trading Day or after ASX's Company Announcements Office closes on a Trading Day, the first Trading Day immediately following the day of execution.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given in section 12 of the Corporations Act.

ASX means ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market known as the Australian Securities Exchange operated by it.

ASX Listing Rules means the official listing rules of ASX.

Attachment means an attachment to this agreement.

Australian Portfolio means the assets in which CQO has a direct or indirect interest other than the US Assets.

Authorisation means:

- (a) an approval, authorisation, consent, declaration, exemption, licence, notarisation, permit or waiver, however it is described, including any renewal or amendment and any condition attaching to it; and
- (b) in relation to anything that could be prohibited or restricted by law if a Governmental Agency acts in any way within a specified period, the expiry of that period without that action being taken.

Berlin Sale Contract means the Share Sale and Purchase Agreement dated 18 August 2011 between Société Générale Immobilier SA, KEWOS Verwaltung GmbH, Charter Hall Office Europe No 1 Sarl and CQO.

Bidder Board means, in respect of a Bidder, the board of directors of that Bidder.

Bidder Closing Certificate means the certificate to be given by each Bidder pursuant to the Condition Precedent in clause 3.1(p), as set out at Schedule 4.

Bidder Deed Poll means the deed poll to be executed by each Bidder in favour of the Scheme Participants in relation to the acquisition by the Bidders of the Scheme Units (in their Specified Acquisition Proportions), which must be in the form, or substantially in the form, agreed by CHOML and the Bidders prior to execution of this agreement.

Bidder Group means, in respect of a Bidder, collectively, that Bidder and each of its Related Bodies Corporate.

Bidder Provided Information means, in respect of a Bidder, all information regarding that Bidder that is provided by or on behalf of the Bidder to CHOML to enable the Scheme Booklet to be prepared in accordance with clause 6.5, and includes any Supplementary Bidder Information.

Brandywine means Brandywine Operating Partnership, L.P..

Brandywine Consent means the signed consent of Brandywine, given under section 9.1 of the Limited Liability Company Agreement dated 1 December 2003 (as amended), in relation to the proposed sale and assignment by Macquarie Office LLC of its 80% interest in Macquarie BDN LLC to BCSP Christina LLC, which consent must be in substantially the same form as the consent which the Bidders confirmed was acceptable to them on or around the date of this agreement (provided that any material differences between the form of the consent given by Brandywine and the form of consent which the Bidders confirmed was acceptable to them must be satisfactory to the Bidders, acting reasonably).

Break Fee means \$11,000,000.

Bidder Warranty means the representations and warranties given by each Bidder under clause 12.1.

Business Day means any day that is each of the following:

- (a) a Business Day within the meaning given in the ASX Listing Rules; and
- (b) a day that banks are open for business in Sydney, New South Wales.

CHCIT means Bieson Pty Limited (ACN 110 465 168) in its capacity as trustee of Charter Hall Co-Investment Trust.

CHOML means Charter Hall Office Management Limited (in its capacity as responsible entity of CQO).

CHOML Board means the board of directors of CHOML.

CHOML Closing Certificate means the certificate to be given by CHOML pursuant to the Condition Precedent in clause 3.1(k), as set out at Schedule 3.

CHOML Director means a director of CHOML.

CHOML Warranty means the representations and warranties given by CHOML under clause 12.3.

Claim means, in relation to a person, a demand, claim, action or proceeding made or brought by or against the person, however arising and whether present, unascertained, immediate, future or contingent.

Closing has the meaning given in clause 5.2(a).

Communications means all forms of communications, whether written, oral, in electronic format or otherwise, and whether direct or indirect via agents or Representatives.

Competing Transaction means a transaction which:

- (a) if completed, would mean that a Third Party would:
 - (i) directly or indirectly acquire an interest in, a Relevant Interest in, or become a holder of 20% or more of the CQO Units; or
 - (ii) directly or indirectly acquire an interest in (other than through a direct or indirect acquisition of, or Relevant Interest in, the CQO Units) all or a material part of the business or assets of CQO or its Subsidiaries (other than through the CQO Units),

including by way of takeover offer, merger, sale of assets, sale or issue of interests, amalgamation, trust scheme, business combination, liquidation, dissolution, recapitalisation or otherwise;
- (b) if completed, would mean that CHOML ceases to be the responsible entity of CQO or that there would be a change of control of CHOML; or
- (c) may otherwise compete with, or be inconsistent in any material respect with the consummation of, the Transaction.

For the purposes of sub-paragraph (a)(ii) of this definition, the acquisition of an interest in part of the business or assets of CQO or its Subsidiaries will be material if:

- (d) the relevant business or businesses contribute 50% or more of the consolidated net profit of CQO and is or are not located in the United States of America; or
- (e) the assets represent 50% or more of the consolidated total assets of CQO and are not located in the United States of America.

Completed means, in relation to the sale of any US Asset, the time at which "Closing" (as defined in the US Sale Contract) takes place.

Conditions Precedent means the conditions precedent set out in clause 3.1.

Confidentiality Deed means the means the Confidentiality Deed dated on or about 21 September 2011 between CHOML, Reco and PSP (among others).

Contingent Consideration Payment Date means, as applicable, the Initial Contingent Consideration Payment Date, the relevant date upon which an Interim Contingent Consideration Amount is paid in accordance with clause 4.1(e)(ii), the Final Contingent Consideration Payment Date (US Proceeds), the Final Contingent Consideration Payment Date (Claims) and the US Tax Holdback Payment Date.

Control has the meaning given in section 50AA of the Corporations Act.

Corporations Act means the Corporations Act 2001 (Cth).

Court means the Supreme Court of New South Wales or such other court of competent jurisdiction as the Parties may agree in writing.

CQO means Charter Hall Office REIT ARSN 093 016 838.

CQO Committee means the CQO Contingent Consideration Committee established by CHOML as described in clause 4.8(a).

CQO Committee Member means a member of the CQO Committee from time to time.

CQO Disclosed Information means all information (in whatever form) provided by CHOML and its Representatives to a Bidder or its Representatives in connection with the Transaction or relating to CQO's past, present or future operations, affairs, business and/or strategic plans, whether provided before or after entry into this agreement and whether provided for the purpose of facilitating the Bidders' due diligence investigations in relation to CQO, the management of CQO or otherwise (including information provided by way of access to data rooms, site visits, management presentations, and interviews and discussions with or other access to CQO's external auditors and Advisers).

CQO Existing Debt means the loan note subscription and cash advance facilities made available to CQO under the Loan Note Sale Agreement dated 14 June 2007; and the secured bridge facility made available to CQO under the Secured Bridge Facility Agreement dated 26 July 2011.

CQO Group means CQO and its Subsidiaries.

CQO Material Adverse Change means any event, change, matter, thing or condition which, individually or when aggregated with all such events, changes, matters, things or conditions, has, or could reasonably be expected to have the effect of diminishing either the annualised net property income referable to the Australian assets of the CQO Group by \$7.6 million or more for the 12 month period ending on the first anniversary of the Implementation Date, or the value of the consolidated Australian net tangible assets of the CQO Group by \$66.33 million or more, other than:

- (a) any matter fairly disclosed in the CQO Disclosed Information prior to the execution of this agreement;
- (b) any matter publicly available prior to execution of this agreement;
- (c) any matter arising from changes in tax, law or accounting policy after the date of this agreement;
- (d) any changes in economic, market or business conditions or interest or exchange rates (including derivative mark to market movements); and
- (e) any Permitted Distribution,

provided that (in relation to paragraphs (c) and (d)) such matter does not affect CQO in a manner that is materially disproportionate to the effect on other businesses of a similar size operating in the same industry as CQO.

CQO Prescribed Occurrence means the occurrence of any of the following events:

- (a) any CQO Units are converted into a larger or smaller number of securities;
- (b) CHOML:
 - (i) enters into a buy-back agreement with respect to CQO Units; or
 - (ii) resolves to approve the terms of a buy-back agreement for CQO Units under the Corporations Act;

- (c) CHOML redeems any CQO Units, or resolves to do so;
- (d) any member of the CQO Group reduces its capital in any way or reclassifies, combines, splits, redeems, repurchases or cancels directly or indirectly any of its securities or resolves to do any of the preceding;
- (e) CHOML issues CQO Units, or grants an option over or to subscribe for CQO Units, or agrees to make such an issue or grant such an option;
- (f) any member of the CQO Group issues securities, or grants an option over or to subscribe for securities or agrees to make such an issue or grant such an option, other than to CHOML or as contemplated in the Subscription Deed dated 12 November 2010 between CHOML and Charter Hall Office Collins Street Pty Limited (ABN 75 006 765 206) in its capacity as trustee of the Charter Hall Office Collins Street Trust;
- (g) CHOML issues, or agrees to issue, convertible notes or any other security or instrument convertible into CQO Units;
- (h) CHOML agrees to pay, declares, pays or makes, or incurs a liability to pay or make, a distribution of income, profits, assets or capital, other than the Permitted Distributions;
- (i) CHOML modifies or repeals or replaces the Trust Constitution or a provision of it (other than pursuant to the Scheme Resolutions or the Manager Fees and Expenses Resolution or to facilitate the payment of any distribution contemplated by this agreement);
- (j) any member of the CQO Group modifies or repeals or replaces its constituent documents or a provision of them (other than pursuant to the Scheme Resolutions);
- (k) any member of the CQO Group creates, or agrees to create, any mortgage, charge, lien or other encumbrance over the whole, or a substantial part, of its business or assets other than in the ordinary course of its business;
- (l) any member of the CQO Group (or CHOML in any capacity), resolves that it be wound up or an application or order is made for its winding up or dissolution other than where the application or order (as the case may be) is set aside within 14 days;
- (m) any member of the CQO Group becomes Insolvent;
- (n) a court makes an order for the winding up of any member of the CQO Group, or any of the following occurs in relation to CQO:
 - (i) an application is made in any court for an order to wind up CQO in accordance with the Corporations Act;
 - (ii) the members of CQO resolve to wind up CQO;
 - (iii) CHOML is required to wind up CQO by law; or
 - (iv) the winding up of CQO commences;
- (o) any member of the CQO Group is deregistered as a company, registered managed investment scheme or otherwise terminated, wound up or dissolved;

- (p) any member of the CQO Group:
 - (i) acquires or disposes of, offers to acquire or dispose of or agrees to acquire or dispose of;
 - (ii) enters, or agrees to enter into, a development commitment in relation to; or
 - (iii) offers, proposes or announces a bid or proposal or tender for,

in each case whether or not conditionally, any one or more assets (including any companies or businesses or any interest in any companies or businesses), or makes an announcement in relation to such an acquisition, disposal, offer, agreement or commitment, where the value of relevant assets is more than \$10 million in aggregate; or
- (q) any member of the CQO Group enters into, proposes to enter into, offers to enter into or agrees to enter into any agreement, arrangement, understanding or commitment (including a joint venture, partnership or management agreement) referred to in any of paragraphs (d), (e), (f) or (g) in the definition of Material Contract, other than any such agreement, arrangement, understanding or commitment which is or relates to the granting of a lease, licence or other form of interest in or of real property in respect of an area of less than 2000 square metres, in the ordinary course of business and on arm's length terms;
- (r) any member of the CQO Group undertakes capital expenditure in excess of \$5 million in aggregate (other than capital expenditure required in response to an unforeseen situation or circumstance which CHOML reasonably considers to be an emergency, provided that, if reasonably practicable in the circumstances, CHOML must seek each Bidder's consent before taking or procuring such action (not to be unreasonably withheld or delayed));
- (s) any member of the CQO Group:
 - (i) offers or agrees to terminate or novate any Material Contract or to amend or vary any Material Contract in a material respect;
 - (ii) pays, discharges or satisfies any Claims, Liabilities or obligations under any Material Contract other than where the payment, discharge or satisfaction is required by the terms of the Material Contract; or
 - (iii) waives any material Claims or rights under, or waives the benefit of any provision of, any Material Contract;
- (t) any member of the CQO Group increases the remuneration of, or pays any bonus or issues any securities to, or otherwise varies the contractual arrangements of, any of its directors, except as expressly required under the terms of a contract existing as at the date of this agreement;
- (u) any member of the CQO Group accelerates the rights of any of its directors to benefits of any kind or pays a director a termination payment other than as provided for in a contract existing as at the date of this agreement;
- (v) any member of the CQO Group gives or agrees to give a financial benefit to a related party of CQO within the meaning of chapter 2E of the Corporations Act;
- (w) a Claim is brought against any member of the CQO Group (other than a frivolous or vexatious Claim) which will or is likely to have an adverse effect on the CQO

Group in excess of \$2 million in aggregate; or a member of the CQO Group becomes the subject of a regulatory investigation or prosecution which will or is likely to have an adverse effect on the CQO Group in excess of \$2 million in aggregate;

- (x) any member of the CQO Group makes, or agrees to make, any loan or advance, or enters into any financing arrangement, agreement or instrument with a person other than a CQO Group member, or amends the terms of any existing financing arrangement, agreement or instrument with a person other than a CQO Group member;
- (y) in respect of any financing arrangement, agreement or instrument, other than those solely between CQO Group members, any member of the CQO Group:
 - (i) breaches any material covenant which is not remedied in accordance with the relevant cure rights under the arrangement, agreement or instrument; or
 - (ii) relies on any waiver or amendment to avoid the potential breach of any covenant unless the waiver or amendment extends for a period of at least the earlier of the term of the arrangement, agreement or instrument and the End Date; or
 - (iii) allows an event of default, or potential event of default, to occur which is not remedied in accordance with the relevant cure rights under the arrangement, agreement or instrument; or
 - (iv) allows an obligation to pay any amount to be accelerated other than to prevent an event referred to in (i) or (iii) above from occurring;
- (z) any member of the CQO Group enters into any agreement, arrangement or transaction with respect to derivative instruments (including, but not limited to, swaps, futures contracts, forward commitments, commodity derivatives or options) or similar instruments, except foreign currency hedges or interest rate hedges made in connection with the US Sale Process; or
- (aa) any member of the CQO Group makes any material change to its accounting policy, other than to the extent required by law or applicable accounting standards;

provided that a CQO Prescribed Occurrence will not include a matter:

- (bb) that is required to be undertaken or procured by CHOML pursuant to the Transaction Documents;
- (cc) that was fairly disclosed in writing in the CQO Disclosed Information prior to execution of this agreement;
- (dd) to the extent that the Bidders have provided their prior written consent, which the Bidders may withhold in their absolute discretion.

CQO Provided Information means all information included in the Scheme Booklet, and any updates to that information prepared by or on behalf of CHOML in accordance with clause 6.1(h), other than:

- (a) the Bidder Provided Information; and
- (b) the Independent Expert's Report.

CQO Register means the register of CQO Unitholders maintained by or on behalf of CHOML in accordance with section 168(1) of the Corporations Act.

CQO Registry means Link Market Services Limited.

CQO Unit means a unit on issue in CQO.

CQO Unitholder means a holder of a CQO Unit.

Defaulting Bidder has the meaning given in clause 4.1(b).

Dictionary has the meaning given in clause 1.1(a).

Effective means in relation to the Scheme, the coming into effect, pursuant to section 601GC(2) of the Corporations Act of the Supplemental Deed.

Effective Date means the date on which the Scheme has become Effective.

End Date means 31 May 2012 or such later date as the Parties may agree in writing.

Escrow Account has the meaning given in clause 4.2(b).

Escrow Agent means Charter Hall, or a Related Body Corporate of Charter Hall that has been appointed in accordance with clause 4.2(g) of this agreement.

Escrow Agent Deed Poll means the deed poll to be executed by the Escrow Agent in favour of the Scheme Participants in relation to payment of the Scheme Contingent Consideration, which must be in the form, or substantially in the form, agreed by CHOML and the Escrow Agent prior to execution of this agreement.

Excluded Unitholders means the Bidders and any of their respective Associates which hold CQO Units at the Record Date (other than PSP in respect of its holding of 5,218,676 CQO Units (which CQO Units may not be voted on any of the Scheme Resolutions, notwithstanding anything to the contrary in this agreement) and other than where those CQO Units are held through an externally managed fund).

Exclusivity Period means the period commencing on the date of this agreement and ending on the earlier of:

- (a) the date this agreement is validly terminated in accordance with its terms;
- (b) the End Date; and
- (c) the Implementation Date.

FATA means the *Foreign Acquisitions and Takeovers Act 1975* (Cth).

Final Contingent Consideration Amount (Claims) means the amount (if any) calculated in accordance with clause 4.4(d) and reviewed by the Independent Accounting Expert in accordance with clause 4.6.

Final Contingent Consideration Amount (US Proceeds) means the amount (if any) calculated in accordance with clause 4.4(c) and reviewed by the Independent Accounting Expert in accordance with clause 4.6.

Final Contingent Consideration Payment Date (Claims) means the date that is 10 Business Days after the date on which all Relevant Claims have been wholly and finally

determined or wholly and finally settled (on an unconditional basis) and all amounts and costs in respect of such Claims paid.

Final Contingent Consideration Payment Date (US Proceeds) means the date that is 10 Business Days after the later of:

- (a) the date on which all the US Sale Proceeds that were not distributed to CQO Unitholders on or before the Implementation Date have been deposited into the US Sale Proceeds Accounts;
- (b) the date on which the amount referred to in clause 4.7(c)(vii) (if any) is deposited into a US Sale Proceeds Account, or the date on which notice has been received from the ATO, the effect of which is to confirm that no such amount will be deposited; and
- (c) the Initial Contingent Consideration Payment Date.

Finally Determined has the meaning given in clause 1.4 of this Schedule.

First Judicial Advice Date means the first day of hearing of an application made to the Court by CHOML for orders for the grant of the First Judicial Advice or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

First Judicial Advice means confirmation from the Court under section 63 of the *Trustee Act 1925* (NSW) that CHOML would be justified in convening the Scheme Meeting and proceeding on the basis that amending the Trust Constitution as set out in the Supplemental Deed would be within the powers of alteration conferred by the Trust Constitution and section 601GC of the Corporations Act.

Frankfurt Sale Contract means the agreement dated 13 January 2010 under which:

- (a) Eurooffice 444 BV and Eurooffice 454 GmbH & Co. KG bought all of the shares in Macquarie Office Germany Frankfurt Sarl from Macquarie Office Europe No 1 Sarl (now Charter Hall Office Europe No 1 Sarl, **CHOE1**); and
- (b) Fonds Eurooffice Société par Actions Simplifiée à capital variable assumed a subordinated convertible shareholder loan against Macquarie Office Germany Frankfurt Sarl from CHOE1.

Governmental Agency means any government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity and includes any minister (including, for the avoidance of doubt, the Treasurer), ASIC, ASX and any regulatory organisation established under statute or any stock exchange.

Guidance Note 15 means Guidance Note 15: Listed Trusts and Managed Investment Scheme Mergers issued by the Takeovers Panel of Australia.

Holdback Amount means USD34 million.

Implementation Date means the date that is 5 Business Days after the Record Date, or such other date as the Parties may agree in writing or as may be required by ASX.

Impugned Amount has the meaning given in clause 10.4.

Increased Offer has the meaning given in clause 9.7(a).

Independent Accounting Expert means an accounting firm selected by CHOML to undertake the Independent Reviews, provided that:

- (a) CHOML must (acting reasonably) be satisfied that the accounting firm is suitably qualified and independent to undertake the Independent Reviews; and
- (b) the accounting firm is acceptable to the Bidders (acting reasonably).

Independent Director Committee means the independent board committee comprising the non-executive directors of the CHOML Board which is established in accordance with the Protocols.

Independent Expert means an independent expert to be engaged by CHOML to prepare the Independent Expert's Report and express an opinion on the Scheme.

Independent Expert's Report means the report from the Independent Expert commissioned by CHOML for inclusion in the Scheme Booklet (either in full or concise version), which includes a statement by the Independent Expert on whether, in its opinion, the Scheme is in the best interests of CQO Unitholders (other than Excluded Unitholders), and includes any update of that report by the Independent Expert.

Independent Review means a review undertaken by the Independent Accounting Expert for the sole purpose of determining the accuracy of CHOML's calculation of the Scheme Contingent Consideration (including, for the avoidance of doubt, a calculation of a Scheme Contingent Consideration amount under clause 4.4(b), whether or not a payment is actually made) applying the procedures in the Independent Review Agreement, and **Independent Reviews** means each such review.

Independent Review Agreement means the agreement to be entered into between CHOML and the Independent Accounting Expert under which CHOML appoints the Independent Accounting Expert to undertake, and the Independent Accounting Expert agrees to undertake, the Independent Reviews, which agreement must be in a form satisfactory to the Bidders (acting reasonably) and must (unless otherwise agreed between CHOML and the Bidders) provide that, in the event of a disagreement between CHOML and the Independent Accounting Expert in relation to the findings of an Independent Review, a procedure shall be followed pursuant to which the matter will be referred to an independent arbitrator, whose determination in respect of the matter shall be final (that is, the quantum of the relevant Scheme Contingent Consideration amount shall be as determined by the independent arbitrator).

Initial Contingent Consideration Amount means the amount (if any) calculated in accordance with clause 4.4(a) and reviewed by the Independent Accounting Expert in accordance with clause 4.6.

Initial Contingent Consideration Payment Date means the date that is 6 months after the Implementation Date.

A person is **Insolvent** if:

- (a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act); or
- (b) it is in liquidation, in provisional liquidation, under administration or wound up or has had a Controller appointed to any part of its property; or
- (c) it is subject to any arrangement, assignment, moratorium or composition protected from creditors under any statute or dissolved (in each case, other than to carry out

a reconstruction or amalgamation while solvent on terms approved by the other Parties to this agreement); or

- (d) an application or order has been made (and in the case of an application, it is not stayed, withdrawn or dismissed within 30 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is preparatory to or could result in any of (a), (b) or (c) above; or
- (e) it is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand; or
- (f) it is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act; or
- (g) it is otherwise unable to pay its debts when they fall due; or
- (h) something having a substantially similar effect to (a) to (g) happens in connection with that person under the law of any jurisdiction.

Interim Contingent Consideration Amount means each amount (if any) calculated in accordance with clause 4.4(b) and reviewed by the Independent Accounting Expert in accordance with clause 4.6.

Interim Period means the period starting on the day after the Initial Contingent Consideration Payment Date and ending on the day before the Final Contingent Consideration Payment Date (Claims).

Judicial Advice means the First Judicial Advice and the Second Judicial Advice.

Liabilities means Claims, losses, liabilities, costs or expenses or any kind and however arising, including penalties, fines and interest and including those which are prospective or contingent and those the amount of which for the time being is not ascertained or ascertainable.

Manager Fees and Expenses Resolution means a special resolution for the purpose of section 601GC(1)(a) of the Corporations Act to approve amendments to the Trust Constitution to facilitate the payment to CHOML, on the Implementation Date, of CHOML's base fees and (if necessary) expenses for the period:

- (a) starting on the day after the final day of the most recently passed period in respect of which CHOML received a payment for its base fees; and
- (b) ending on the Implementation Date,

calculated on a pro rata basis and otherwise in accordance with the Trust Constitution.

Matching Right Period has the meaning given in clause 9.7(a).

Material Contract means any of the following contracts:

- (a) the amended and restated memorandum of understanding between CHOML and Charter Hall Asset Services Pty Limited approved by the CHOML Board on 29 November 2011;
- (b) the A\$ syndicated facility agreement dated 26 July 2011 between (among others) CHOML, Perpetual Trustee Company Limited and Westpac Banking Corporation; and

- (c) the loan note sale agreement dated 14 June 2007 (as varied and amended and restated) between (among others) CHOML, Perpetual Trustee Company Limited and Westpac Banking Corporation,

or any contract:

- (d) under which any member of the CQO Group might reasonably be expected to make or receive total payments, or forego revenue or incur liabilities, of more than \$5 million;
- (e) that has a term of more than 6 months (unless the agreement, arrangement, understanding or commitment is capable of being terminated by the relevant member or members of the CQO Group, at no cost, by it giving less than 90 days notice);
- (f) under which a material restraint is imposed on the conduct of the business of any member of the CQO Group; or
- (g) which is entered into other than in the ordinary course of business and which may otherwise reasonably be expected to be material to the operations of the CQO Group.

Maximum Distribution Amount has the meaning given in clause 4.7(b).

Milan Property Sale Contract means the agreement dated 29 June 2010 between:

- (a) Societa Cattolica Di Assicurazione Soc. Coop, Cattolica Previdenza SPA, Lombarda Vita SPA, Risparmio & Previdenzaq SPA and BCC Vita SPA as purchasers; and
- (b) Charter Hall International Office Pty Ltd as trustee of Macquarie International Office Trust, and Charter Hall Office Investments Pty Ltd as trustee of Macquarie Office Italy Trust (since renamed Charter Hall Office Italy Trust) (as sellers),

in relation to all of the units in the fund called Macquarie Office Italy.

New CQO Debt Facility means the \$1,000 million debt facility to be made available under the agreement to be entered into by CHOML pursuant to the credit approved Debt Term Sheet accepted by the Bidders on 6 December 2011.

Nominee means, in respect of a Bidder, a wholly owned Subsidiary of that Bidder nominated by it for the purposes of clause 4.1.

Non-Compliance Date has the meaning given in clause 4.1(b)(iv)

Notice of Meeting means the notice convening the Scheme Meeting, together with the proxy form for the Scheme Meeting.

Offshore Entities means the CQO Group members listed in Schedule 7.

Offshore Liability means any Liability of any Offshore Entity, or Liability of any CQO Group member in relation to any current or previous assets, business or operations of any Offshore Entity, and includes any Liability arising from or in connection with foreign currency hedges or interest rate hedges made in connection with the US Sale Process, but does not include any such Liability that is suffered or incurred or otherwise arises as a result solely of any action taken or not taken, or procured, by CHOML or a CQO Group member following implementation of the Scheme.

Other Third Party Approvals has the meaning given in clause 3.1(l).

Party means CHOML or a Bidder, and **Parties** means CHOML and the Bidders.

Permitted Distribution means a distribution permitted under clause 4.7.

Protocols means the transaction protocol adopted by the CHOML Board for the purpose of considering, assessing and implementing the Transaction.

Recommendation has the meaning given in clause 8.1(a).

Record Date means 7:00pm on the date that is 5 Business Days after the Effective Date, or such other date as may be agreed in writing between the Parties or as may be required by ASX.

Regulatory Approval means:

- (h) any approval, consent, authorisation, registration, filing, lodgement, permit, franchise, agreement, notarisation, certificate, permission, licence, direction, declaration, authority, waiver, modification or exemption from, by or with a Governmental Agency; or
- (i) in relation to anything that would be fully or partly prohibited or restricted by law if a Governmental Agency intervened or acted in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action.

Related Body Corporate has the meaning given in the Corporations Act, as if references in that meaning to 'subsidiary' include Subsidiaries as defined for the purposes of this agreement.

Relevant Claim means any of the following:

- (a) any Claim by the US Asset Purchaser under any covenant, indemnity, representation or warranty with respect to the US Sale Contract or any other document executed by a CQO Group member in relation to the US Sale Contract;
- (b) any Claim against a CQO Group member under the Frankfurt Sale Contract arising out of the independent evidence proceedings (selbständiges Beweisverfahren), initiated by the purchasers under the Frankfurt Sale Contract against CHOE1. before the regional court (Landgericht) of Frankfurt to assess alleged defects in technical installations of the asset underlying the Frankfurt Sale Contract (being the real property located at Frankfurt, Darmstädter Landstraße), namely the air-conditioning, the sun protection and the sprinkler system;
- (c) the maximum potential Liability of any CQO Group member under the Milan Property Sale Contract to pay a yearly amount of up to EUR 199,253 for each financial year in respect of which the fifth floor of the Milan property the subject of that contract is not leased, and taking into account monies held by or on behalf of a CQO Group member to provide for that Liability; and
- (d) any Claim brought against a CQO Group member in respect of any Offshore Liability.

Relevant Interest has the meaning given in sections 608 and 609 of the Corporations Act.

Relevant Proportion means the percentage of the total of number of CQO Units represented by the CQO Units held by a CQO Unitholder as at the Record Date, according to the CQO Register.

Relevant Test has the meaning given in clause 9.7(c).

Relevant Test Notice has the meaning given in clause 9.7(d).

Representative means, in relation to a person:

- (a) a Related Body Corporate of the person; or
- (b) an Officer of the person or any of the person's Related Bodies Corporate; or
- (c) an Adviser to the person or any of the person's Related Bodies Corporate.

Responsibility Statement means a statement that is included in the Scheme Booklet in the form set out in Schedule 3 or in such other form as the Parties reasonably agree.

Rival Transaction has the meaning given in clause 9.7(a).

Schedule means a schedule to this agreement

Scheme means the arrangement, in accordance with Guidance Note 15, under which the Bidders acquire all of the Scheme Units, that is facilitated by amendments to the Trust Constitution as set out in the Supplemental Deed, subject to the Scheme Resolutions being approved by the requisite majorities of CHOML Unitholders.

Scheme Booklet means the explanatory memorandum to be prepared in respect of the Scheme Participants in accordance with the terms of this agreement and to be despatched by CHOML to CQO Unitholders, including the Independent Expert's Report, the Bidder Deed Poll and the Notice of Meeting.

Scheme Consideration means the Scheme Cash Consideration and the Scheme Contingent Consideration.

Scheme Cash Consideration has the meaning given in clause 4.1(c)(iii).

Scheme Contingent Consideration means the amounts calculated by CHOML in accordance with clause 4.4, reviewed by the Independent Accounting Expert in accordance with clause 4.6 and payable in accordance with clause 4.1(e).

Scheme Meeting means the meeting of CQO Unitholders that is convened to consider the Scheme Resolutions, at which meeting CQO Unitholders may also be asked to vote on the Manager Fees and Expenses Resolution.

Scheme Participant means each person who holds Scheme Units as at the Record Date.

Scheme Resolutions means the following resolutions of the CQO Unitholders:

- (a) an ordinary resolution for the purpose of item 7 of section 611 of the Corporations Act to approve the acquisition by the Bidders or their Nominees of all of the Scheme Units; and
- (b) a special resolution for the purpose of section 601GC(1)(a) of the Corporation Act to approve the amendments to the Trust Constitution as set out in the

Supplemental Deed and to authorise CHOML to execute and lodge with ASIC the Supplemental Deed to give effect to those amendments.

Scheme Units means the CQO Units on issue as at the Record Date (other than those CQO Units held by the Excluded Unitholders at that date).

Second Judicial Advice means confirmation from the Court under section 63 of the *Trustee Act 1925* (NSW) that, subject to CQO Unitholders passing the Scheme Resolutions, CHOML would be justified in acting upon the Scheme Resolutions in doing all things and taking all necessary steps to put the Scheme into effect.

Second Judicial Advice Date means the first day of the hearing of an application made to the Court by CHOML for the Second Judicial Advice or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

Sell-Side Costs means CHOML's adviser costs (including any success fee payable) which are or will be payable in relation to the Transaction, and fees payable to the members of the Independent Director Committee for the proper performance of their role as a sub-committee of the CHOML Board responsible for considering the Transaction and overseeing its implementation.

Specified Acquisition Proportion means, in relation to each Bidder, the percentage figure equal to the percentage of the Scheme Units which that Bidder will be transferred pursuant to clause 4.1(c)(ii), being:

- (c) in respect of Reco, 47.23%;
- (d) in respect of PSP, 47.23%; and
- (e) in respect of CHPT, 5.55%.

Specified Holding Proportion means, in relation to each Bidder, the percentage figure equal to the percentage of CQO Units which that Bidder (together with its Related Bodies Corporate) will hold immediately following the Implementation Date, being:

- (a) in respect of Reco, 42.5%;
- (b) in respect of PSP, 42.5%; and
- (c) in respect of CHPT, 15%.

Subsidiary has the meaning given in the Corporations Act but so that:

- (a) an entity will also be considered to be a Subsidiary of a company or other entity if it is controlled by that company or other entity (expressions used in this paragraph have the meanings given for the purposes of Division 6 of Part 1.2 of the Corporations Act);
- (b) a trust may be a Subsidiary, for the purposes of which a unit or other beneficial interest will be regarded as a share; and
- (c) a corporation or trust may be a Subsidiary of a trust if it would have been a Subsidiary if that trust were a corporation.

Superior Proposal means a bona fide Competing Transaction received by CHOML after the date of this agreement (other than following any breach by CHOML of clause 8 in

respect of that Competing Transaction) which the Independent Director Committee determines, acting in good faith and acting reasonably:

- (a) is reasonably capable of being valued and completed, taking into account all aspects of the Competing Transaction and the person or persons making it (including, without limitation, the financing of that Competing Transaction); and
- (b) would, if completed substantially in accordance with its terms, be more favourable to the Scheme Participants than the Scheme, taking into account all aspects of the Competing Transaction.

Supplemental Deed means a deed poll to be executed by CHOML in the form, or substantially in the form, agreed between CHOML and the Bidders prior to the execution of this agreement, pursuant to which CHOML will amend the Trust Constitution to facilitate the Scheme.

Supplementary Disclosure has the meaning given in clause 6.1(i)(ii).

Supplementary Information has the meaning given in clause 6.1(h).

Supplementary Bidder Information has the meaning given in clause 6.3(f).

Tax means all past, present and future taxes of any name, kind or description imposed by any country, or any political or administrative subdivision or local authority with a country and includes taxes in the nature of income tax; capital gains tax; withholding tax and any other liability to withhold amounts on account of tax; franking tax, over-franking tax, untainting tax, franking deficit tax, or franking additional tax; goods and services tax, value added tax, sales tax and other like imposts; payroll tax; workers' compensation levies; land tax; stamp duty; financial institutions duty; debits tax; municipal rates and like imposts; capital taxes; wealth taxes; any environmental tax, levy, or charge; and any other like imposts and includes any interest, fine, penalty, charge or additional amount payable in relation to tax.

Third Party means a person other than a Bidder or its Representatives.

Third Party Consents means the consent, agreement, waiver, licence or approval from or by a person in respect of a specified clause of a contract involving a member of the CQO Group set out in Schedule 6.

Timetable means the indicative timetable in relation to the Scheme set out in Schedule 2, or such other indicative timetable as the Parties may agree in writing or as may be required by ASX.

Top Up Amount means US\$80 million less the aggregate of the Holdback Amount and the amounts in clause 4.7(c) (other than the amount in clause 4.7(c)(ii) or any excess amount that is added to US Sale Proceeds under clause 4.7(c)(iv) or 4.7(c)(v)).

Trading Day has the meaning given in the ASX Listing Rules.

Transaction means the proposed transaction pursuant to which Bidders will acquire all of the Scheme Units under the Scheme, in consideration for the provision of the Scheme Consideration which was first announced to the ASX on 29 August 2011.

Transaction Documents means:

- (a) this agreement;

- (b) the Supplemental Deed;
- (c) the Bidder Deed Poll;
- (d) the Escrow Agent Deed Poll; and
- (e) any other document which the Parties agree should fall under this definition.

Treasurer means the Treasurer of the Commonwealth of Australia.

Trust Constitution means the constitution of CQO, as amended from time to time.

US Assets means the “Properties”, as defined in the US Sale Contract.

US Asset Purchaser means BCSP VI Portfolio Acquisition LLC.

US Asset Vendors means the entities comprising the “Seller” under the US Sale Contract.

US Sale Contract means the Purchase and Sale Agreement dated 2 August 2011 (as amended from time to time including by a First Amendment to Purchase and Sale Agreement, dated 22 September 2011) between the US Asset Vendors and the US Asset Purchaser.

US Sale Proceeds means the net proceeds received from the completion of the US Sale Process after repayment or transfer of the debt principal and accrued interest and payment of or provision for all sale costs, Taxes, debt transfer or break costs and price adjustments (including market adjustments relating to pre and post-Closing committed leasing costs and committed capital expenditure) and includes any accrued earnings from the US Assets (to the extent not prorated as part of the Closing of a US Asset) such as rental receipts and interest saved on Australian debt or accruing on cash proceeds from the sale of the US Assets, but does not include any payment received by a CQO Group member pursuant to a Claim under clause 11.14 of the US Sale Contract.

US Sale Proceeds Accounts has the meaning given in clause 4.2(f)(ii).

US Sale Process means the sale of 100% of CQO’s interest in the US Assets for a gross price of US\$1.71 billion to the US Asset Purchaser, as disclosed on behalf of CQO to ASX by announcement dated 3 August 2011.

US Tax Authority means the United States Internal Revenue Service and their assigned agents, the United States Department of Treasury and their assigned agents, and applicable tax authorities of the State and Localities of the United States and their assigned agents.

US Tax Contingent Consideration Amount means the amount (if any) calculated in accordance with clause 4.4(e) and reviewed by the Independent Accounting Expert in accordance with clause 4.6.

US Tax Contingent Consideration Payment Date means the date which is 10 Business Days after the later of:

- (a) the date on which the final assessment or assessments for US Taxes have been received and all Taxes in respect of such assessments have been paid; and
- (b) the date on which there are no challenges to Tax assessments for US Taxes on foot and all such challenges have been wholly and finally resolved.

US Tax Holdback Amount means:

- (a) US\$2.7 million; or
- (b) where, following signing and prior to the Implementation Date, the tax adviser to the Bidders has reasonably formed the view, because of new or different source data or changes to applicable law or practice of any Tax authority, the amount of US Taxes for which the CQO Group is likely to be liable is an amount greater than the amount referred to in paragraph (a) above, that greater amount determined by KPMG.

US Taxes means Taxes payable by any member of the CQO Group in relation to the US Assets (including the sale of those US Assets under the US Sale Contract), or the US Entities or their business or operations, for the tax years ending 31 December 2011 and 31 December 2012 (or which are payable in respect of events occurring during those tax years).

US Taxes Account has the meaning given in clause 4.2(f)(i).

Voting Intention has the meaning given in clause 8.1(b).

1.2 Interpretation

Headings are for convenience only and do not affect interpretation. The following rules apply unless the context requires otherwise.

- (a) The singular includes the plural and conversely.
- (b) A gender includes all genders.
- (c) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (d) A reference to a person, corporation, trust, partnership, unincorporated body or other entity includes any of them.
- (e) A reference to a clause, schedule or annexure is a reference to a clause of, or schedule or annexure to, this agreement.
- (f) A reference to an agreement or document (including a reference to this agreement) is to the agreement or document as amended, varied, supplemented, novated or replaced, except to the extent prohibited by this agreement or that other agreement or document.
- (g) A reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns.
- (h) A reference to legislation or to a provision of legislation includes a modification or re enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.
- (i) A reference to \$ is to the lawful currency of Australia.
- (j) Words and phrases not specifically defined in this agreement have the same meanings (if any) given to them in the Corporations Act.

- (k) A reference to time is a reference to time in Sydney, New South Wales.
- (l) If the day on which any act, matter or thing is to be done is a day other than a Business Day, such act, matter or thing must be done on the immediately succeeding Business Day.
- (m) The meaning of general words is not limited by specific examples introduced by including, or for example, or similar expressions.
- (n) A reference to a liability incurred by any person includes any liability of that person arising from or in connection with any obligation (including indemnities and all other obligations owed as principal or guarantor) whether liquidated or not, whether present, prospective or contingent and whether owed, incurred or imposed by or to or on account of or for the account of that person alone, severally or jointly or jointly and severally with any other person.
- (o) A reference to a loss incurred by any person includes any loss, liability, damage, cost, charge or expense that the person pays, incurs or is liable for and any other diminution of value of any description that the person suffers, including all liabilities on account of taxes or duties, all interest, penalties, fines and other amounts payable to third parties and all reasonable legal expenses and other expenses in connection with investigating or defending any Claim, action, demand or proceeding, whether or not resulting in any liability, and all amounts paid in settlement of any such Claims.
- (p) Nothing in this agreement is to be interpreted against a Party solely on the ground that the Party put forward this agreement or a relevant part of it.

1.3 Reasonable endeavours

Any provision of this agreement that requires a Party to use reasonable endeavours, or reasonable endeavours, or to take all steps reasonably necessary, to procure that something is performed or occurs, requires that Party to do so as soon as is reasonably practicable, but does not include any obligation:

- (a) to pay any significant sum of money or to provide any significant financial compensation, valuable consideration or any other incentive to or for the benefit of any person, except for payment of any applicable fee for the lodgement or filing of any relevant application with any Governmental Agency or fees to any professional advisers; or
- (b) to commence any legal action or proceeding against any person, to procure that that thing is done or happens,

except where that provision expressly specifies otherwise.

1.4 Finally Determined

The Parties, the Escrow Agent and Charter Hall agree that any matter that is to be **Finally Determined** (when the capitalised term is used) must be referred to, and finally settled by, arbitration in accordance with the IAMA Fast Track Arbitration Rules developed by the Institute of Arbitrators and Mediators Australia (the **Fast Track Rules**) in force when the notice of arbitration is submitted in accordance with those Fast Track Rules. The arbitration will be conducted and held in accordance with the laws of New South Wales. Any arbitration meetings and proceedings under this clause must be held in Sydney, Australia.

Schedule 2 — Timetable

Event	Date
Lodge Scheme Booklet and Independent Expert's Report with ASIC	Friday, 27 January 2012
First Judicial Advice Date	Friday, 10 February 2012
Despatch Scheme Booklet	Tuesday, 14 February 2012
Scheme Meeting	Thursday, 15 March 2012
Second Judicial Advice Date	Friday, 16 March 2012
Effective Date	Friday, 16 March 2012
Record Date	Friday, 23 March 2012
Implementation Date	Friday, 30 March 2012

Schedule 3 — Responsibility Statement

- (a) CHOML has provided, and is responsible for, the CQO Provided Information in this Scheme Booklet. No Bidder or its directors, officers or advisers assumes any responsibility for the accuracy or completeness of any CQO Provided Information.
- (b) Each Bidder has provided, and is responsible for, its Bidder Provided Information in this Scheme Booklet. None of CHOML or CQO, nor any of their respective directors, officers and advisers, assumes any responsibility for the accuracy or completeness of the Bidder Provided Information.
- (c) The Independent Expert has provided, and is responsible for, the Independent Expert's Report included as Attachment **[insert]** to this Scheme Booklet. None of CHOML, CQO or any Bidder, nor any of their respective directors, officers and advisers, assumes any responsibility for the accuracy or completeness of the Independent Expert's Report. The Independent Expert does not assume any responsibility for the accuracy or completeness of the information contained in this Scheme Booklet other than that contained in the Independent Expert's Report.

Schedule 4 — CHOML Closing Certificate

Reference is made to the scheme implementation agreement between:

- Charter Hall Office Management Limited in its capacity as responsible entity of Charter Hall Office REIT (**CHOML**);
- Reco Ambrosia Pte Ltd;
- Public Sector Pension Investment Board; and
- Charter Hall Funds Management Limited in its capacity as responsible entity of the Charter Hall Property Trust,

entered into on [*insert date*] (**Implementation Agreement**).

CHOML confirms, to the extent of matters within its knowledge, that the Conditions Precedent (other than the Conditions Precedent in clauses 3.1(c)(ii) and 3.1(d) of the Implementation Agreement) have been satisfied or waived in accordance with the terms of the Implementation Agreement.

Unless otherwise defined, capitalised terms in this certificate have the meaning given to them in the Implementation Agreement.

Signed for and on behalf of
**Charter Hall Office Management Limited in its
capacity as responsible entity of the Charter Hall
Officer REIT**

Signature

Name of signatory (print)

Date

Schedule 5 — Bidder Closing Certificate

Reference is made to the scheme implementation agreement between:

- Charter Hall Office Management Limited in its capacity as responsible entity of Charter Hall Office REIT;
- Reco Ambrosia Pte Ltd; and
- Public Sector Pension Investment Board; and
- Charter Hall Funds Management Limited in its capacity as responsible entity of the Charter Hall Property Trust.

entered into on **[insert date]** (**Implementation Agreement**).

[insert name of relevant Bidder] confirms, to the extent of matters within its knowledge, that the Conditions Precedent (other than the Conditions Precedent in clauses 3.1(c)(ii) and 3.1(d) of the Implementation Agreement) have been satisfied or waived in accordance with the terms of the Implementation Agreement.

Unless otherwise defined, capitalised terms in this certificate have the meaning given to them in the Implementation Agreement.

Signed for and on behalf of
[insert name of relevant Bidder]

Signature

Name of signatory (print)

Date

Schedule 6 — Third Party Consents

1. Clauses 9.18(a) of the Joint Ownership Agreement dated 7 May 2002 between:
 - (a) N1MP (T No 2) Pty Limited as trustee of the No.1 Martin Place Office Trust;
 - (b) N1MP (T No 3) Pty Limited as trustee of the No.1 Martin Place Carpark Trust;
 - (c) CHOML as responsible entity of CQO; and
 - (d) Macquarie Direct Property Management Limited (now known as Charter Hall Direct Property Management Limited) as trustee for the Macquarie Martin Place Investment Trust (MMPT),in relation to No. 1 Martin Place, Sydney.
2. Clause 17.2(a) of the Joint Venture Agreement dated 17 March 2010 between:
 - (a) Charter Hall Office Collins Street Pty Limited as trustee of the Macquarie Office Collins Street Trust; and
 - (b) Cbus Property 171 Collins Pty Limited,in relation to 171 Collins Street, Melbourne.
3. Clause 24 of the Agreement for Lease dated 22 September 2010 between:
 - (a) Telstra Corporation Limited as lessee;
 - (b) Perpetual Trustee Company Limited as lessor; and
 - (c) CHOML as responsible entity of CQO,in relation to 300 LaTrobe Street, Melbourne.

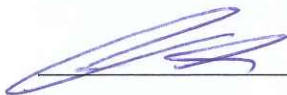
Schedule 7 — Offshore Entities

1. Charter Hall Office Europe No 1 Sarl
2. Macquarie Office (US) Trust (Formerly Principal America Office Trust & before that Lend Lease US Office Trust) (EIN 98-0357771)
3. Macquarie Office (US) No 2 Corporation (Formerly Principal America Office Inc & before that Lend Lease US Office Inc) (EIN 41-1943810)
4. MOF 745 Atlantic Avenue Boston Trustee LLC
5. MOF 745 Atlantic Avenue Boston Trust (EIN 000844956)
6. MOF 700 Thirteenth Street DC, Inc (EIN 37-1469659)
7. Macquarie Riverpoint AZ, LLC (EIN 41-1943810)
8. Macquarie Angels No. 1 GP, LLC (EIN 65-1278603)
9. Macquarie Office Stadium Gateway, LP (EIN 36-4331974)
10. 30 Independence Boulevard One, LLC (EIN 36-4331974)
11. Macquarie Angels No.2 GP, LLC (No EIN)
12. Sterling Plaza Limited Partnership (EIN 36-4331976)
13. 30 Independence Boulevard Two, LLC (EIN 36-4331976)
14. Monument Center, L.L.C (EIN 36-4331968)
15. MOF Liberty Square Boston Trust (EIN 58-2615804)
16. MOF MA Trustee, Inc. (TRUSTEE)
17. Macquarie 10 & 30 South Wacker LLC (EIN 36-4331967)
18. SunTrust Center, L.L.C (EIN 36-4104257)
19. Pasadena Towers, L.L.C (EIN 36-4331971)
20. Macquarie Office TRS Services Inc. (EIN 20-8167772)
21. 200 Biscayne Acquisition LLC
22. Macquarie Office (US) Corporation (EIN 20-0290208)
23. Macquarie Office LLC (EIN 20-0290222)
24. Macquarie Office II LLC (DE) (EIN 20-3677581)

25. Charter Hall International Office Pty Ltd as trustee of Charter Hall International Office Trust
26. Charter Hall Office Investments Pty Ltd as trustee of Macquarie Office Italy Trust

Execution page

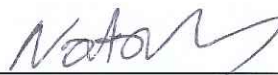
Signed for **Charter Hall Office Management Limited as responsible entity of Charter Hall Office REIT** by:



Signature of director

Adrian Taylor

Name of director (print)



Signature of ~~director~~/secretary

NATALIE ALLEN

Name of ~~director~~/secretary (print)

Signed for **Reco Ambrosia Pte Ltd** by its authorised representative:

Signature of authorised representative

Signature of witness

Name of authorised representative (print)

Name of witness (print)

Signed for **Public Sector Pension Investment Board** by its authorised representatives:

Signature of authorised representative

Signature of authorised representative

Name of authorised representative (print)

Name of authorised representative (print)

Execution page

Signed for **Charter Hall Office Management Limited as responsible entity of Charter Hall Office REIT** by:

Signature of director

Signature of director/secretary

Name of director (print)

Name of director/secretary (print)

Signed for **Reco Ambrosia Pte Ltd** by its authorised representative:





Signature of authorised representative

Signature of witness

LEE KOK SUN

CAI WENZHENG.

Name of authorised representative (print)

Name of witness (print)

Signed for **Public Sector Pension Investment Board** by its authorised representatives:

Signature of authorised representative

Signature of authorised representative

Name of authorised representative (print)

Name of authorised representative (print)

Execution page

Signed for **Charter Hall Office
Management Limited as responsible
entity of Charter Hall Office REIT** by:

Signature of director

Signature of director/secretary

Name of director (print)

Name of director/secretary (print)

Signed for **Reco Ambrosia Pte Ltd** by its
authorised representative:

Signature of authorised representative

Signature of witness

Name of authorised representative (print)

Name of witness (print)

Signed for **Public Sector Pension
Investment Board** by its authorised
representatives:

Signature of authorised representative

Neil Cunningham
First Vice President
Real Estate Investments

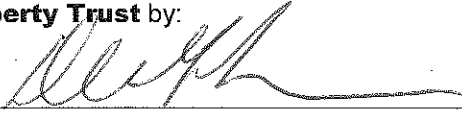
Name of authorised representative (print)

Signature of authorised representative

Jérôme Foulon
Vice President
Real Estate Investments

Name of authorised representative (print)

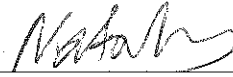
Signed for **Charter Hall Funds
Management Limited in its capacity as
responsible entity of the Charter Hall
Property Trust** by:



Signature of director

DAVID WILLIAM HARRISON

Name of director (print)



Signature of director/secretary

NATALIE ALLEN

Name of director/secretary (print)

Signed for **Charter Hall Funds
Management Limited in its capacity as
responsible entity of the Charter Hall
Property Trust** by:

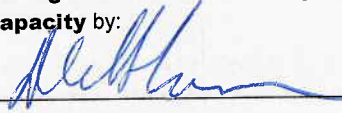
Signature of director

Signature of director/secretary

Name of director (print)

Name of director/secretary (print)

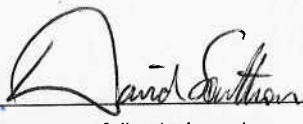
Signed for **Charter Hall Funds
Management Limited in its personal
capacity** by:



Signature of director

DAVID WILLIAM HARRISON

Name of director (print)



Signature of director/~~secretary~~

DAVID JOHN SOUTMAN
Name of director/~~secretary~~ (print)