

03 December 2013

ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Charter Hall Retail Management Limited
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AFS Licence No. 246996
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Charter Hall Retail REIT

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Dear Sir/Madam

Unit Purchase Plan

As announced on Friday, 22 November 2013, Charter Hall Retail REIT (ASX:CQR) is pleased to offer eligible unitholders an opportunity to participate in the Unit Purchase Plan (UPP) in conjunction with a placement of ordinary units to institutional investors and a conditional pro-rata placement to Charter Hall Group¹.

The UPP allows eligible unitholders to purchase up to 3,900 new Charter Hall Retail REIT ordinary units (New Units) (subject to scale-back at CQR's absolute discretion) at a price of \$3.80 per New Unit, without brokerage or transaction costs. Please note that the closing date of the UPP has been amended and will now occur on 16 December 2013.

The attached Unit Purchase Plan Booklet, outlining the details of the UPP, is being sent to all eligible Australian and New Zealand unitholders today.


Rebecca Pierro
Company Secretary
Charter Hall Retail Management Limited, as responsible entity of the REIT

¹ Subject to unitholder approval

Charter Hall Retail REIT

Unit Purchase Plan Booklet



Chairman's letter

2 December 2013

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Charter Hall Retail REIT
(ARSN 093 143 965)

Dear Unitholder

On behalf of the Board of Directors, I am pleased to offer eligible unitholders an opportunity to participate in the Unit Purchase Plan (**UPP**) which was announced on 22 November 2013 in conjunction with a placement of ordinary units to institutional investors (**Placement**) and conditional pro-rata placement to Charter Hall Group of \$8 million¹. The UPP allows eligible unitholders to purchase up to 3,900 new Charter Hall Retail REIT (**CQR**) ordinary units (**New Units**) (subject to scale-back at CQR's absolute discretion) without brokerage or transaction costs.

The UPP provides eligible unitholders the opportunity to increase their CQR holding at a price of \$3.80 per New Unit (**UPP Price**), being the same price paid by institutional investors in the Placement. As under the Placement, New Units will rank equally with existing CQR units and will be entitled to the distribution for the six months ending 31 December 2013.

CQR raised \$80 million under the Placement with these proceeds to be used to partially fund the acquisition of Rosebud Plaza, a high quality sub-regional shopping centre located in Melbourne's South. The acquisition is consistent with CQR's stated strategy of owning supermarket anchored shopping centres with a focus on non-discretionary retail spending. The property is forecast to deliver a year one yield of 7.8% with additional potential to add value through re-leasing opportunities and longer term redevelopment.

The acquisition was announced to the ASX on 22 November 2013 and further details are available on the ASX website and CQR's website. Any proceeds raised under the UPP will initially be used to retire Australian dollar debt improving gearing and providing liquidity to fund future acquisitions and development activity should such opportunities be identified by CQR.

Participation in the UPP is optional and is open to eligible unitholders with a registered address in Australia or New Zealand who were holders of fully paid CQR ordinary units (Units) at 7.00pm (AEDT) on 21 November 2013 (**Record Date**). Certain eligible unitholders who are custodians holding units on behalf of certain beneficiaries are also invited to participate in the UPP on the terms and conditions set out in this Booklet.

Important information regarding potential scale-back in the UPP

- CQR reserves the right to scale-back applications in its absolute discretion (Scale-back).
- In the event of a Scale-back, you may be allocated New Units to a value which is significantly less than the parcel which you applied for and the difference will be refunded to you without any interest.
- Unitholders should keep this potential Scale-back in mind when deciding how much to apply for under the UPP.

How to apply

If you are an eligible unitholder and wish to participate in the UPP, you may apply to purchase a parcel of 1,300, 2,600 or 3,900 New Units valued at \$4,940, \$9,880 or \$14,820 respectively at the UPP Price.

You can apply by either:

- Completing the enclosed Application Form as instructed and returning it to the address indicated on the form, together with your payment; or
- Making payment directly by BPAY.

Your application and payment must be received by 5.00pm (AEDT) on 16 December 2013 (**Closing Date**). If you make your application by BPAY, you do not need to return the Application Form to the address indicated on the form.

Note:

1. Subject to unitholder approval.

Timetable

Record Date	7.00pm (AEDT) on 21 November 2013
UPP Offer opens (Opening Date)	3 December 2013
UPP Offer closes (Closing Date)	5.00pm (AEDT) on 16 December 2013
UPP Results Announcement	20 December 2013
Issue of New Units	20 December 2013
Trading Date	23 December 2013
Despatch of holding statements	23 December 2013

Important information

The offer of New Units under the UPP is made in accordance with ASIC Class Order 09/425 which grants relief from the requirement to issue a disclosure document for the UPP.

This Booklet contains further information about the UPP. The Board recommends you read this Booklet carefully and in its entirety before deciding whether to participate in the UPP. In particular, you should note the risk of movements in CQR's unit price and clause 10 in the 'UPP Terms and Conditions' section of this Booklet.

This Booklet does not provide financial advice and has been prepared without taking account of any person's investment objectives, financial situation or particular needs. If you are in any doubt about the course of action you should follow, you should consult your financial, taxation or other professional adviser before participating in the UPP.

For further information about the UPP or how to apply, please call the CQR UPP Information Line on 1300 303 063 or +61 1300 303 063 if calling from outside Australia (between 8:30am to 5:30pm (AEDT) on Monday to Friday from 3 December 2013).

On behalf of the Board, I thank you for your continued support of CQR.

Yours faithfully,



John Harkness
Chairman
Charter Hall Retail REIT

UPP Terms and Conditions

Important Notice

If you apply to participate in the UPP, you should be aware, and accept the risk, that the market price of Units may change between the date of the UPP offer and the date when New Units are issued to you under the UPP. As such, it is possible that, up to or after the date you receive New Units under the UPP, you may be able to buy Units on ASX at a lower price than under the UPP. We encourage you to seek your own professional advice regarding your participation in the UPP.

1. Eligible Unitholders

1.1 Subject to clauses 1.2 to 1.4, all persons registered as holders of ordinary fully paid units of Charter Hall Retail REIT (Units), at 7.00pm (AEDT) on 21 November 2013 (the Record Date), whose address in the register of Charter Hall Retail REIT (ARSN 093 143 965) (CQR) is in Australia or New Zealand, may participate in the Unit Purchase Plan (the UPP) (the Eligible Unitholders).

1.2 Eligible Unitholders who hold Units as a “custodian” (as defined in ASIC Class Order 09/425) (Custodian) may participate in the UPP on behalf of one or more persons whom the Custodian holds Units on behalf of (Custodian Beneficiaries), provided the conditions set out in clause 4 are met.

1.3 Unitholders who hold Units on behalf of persons who reside outside Australia or New Zealand including those who are “US persons” (as defined in Regulation S under the US Securities Act of 1933, as amended (US Securities Act)) (US Persons) or who act for the account or benefit of a US Person are not entitled to participate in the UPP.

1.4 If you are a joint holder of Units, you are taken to be a single registered holder of Units for the purposes of determining whether you are an Eligible Unitholder and joint holders are entitled to participate in the UPP in respect of that single holding only.

2. Offer

2.1 Eligible Unitholders may apply to purchase a parcel of ordinary fully paid units in CQR (New Units) under the UPP, as set out in clause 5.

2.2 Participation in the UPP is optional. The offer is non-renounceable and non-transferable and, therefore, Eligible Unitholders cannot transfer their right to purchase New Units to a third party.

2.3 The offer to each Eligible Unitholder (whether as a Custodian or on its own account) is made on the same terms and conditions.

2.4 All references to \$ or dollars in this Booklet are references to Australian dollars unless otherwise indicated.

3. Joint holders

If you receive more than one offer under the UPP due to multiple registered holdings, you may apply for New Units by way of different Application Forms, but you may not apply for New Units with an aggregate value of more than \$15,000.

4. Custodians

4.1 If a Custodian applies for New Units on behalf of a Custodian Beneficiary, CQR will not issue New Units under the UPP unless the Custodian certifies the following in writing to CQR:

(a) either or both of the following:

- (i) that the Custodian holds the Units on behalf of one or more persons that are not custodians (Participating Beneficiaries); or
- (ii) that another custodian (Downstream Custodian) holds beneficial interests in Units on behalf of a Participating Beneficiary, and the Custodian holds the Units to which those beneficial interests relate on behalf of the Downstream Custodian or another custodian,

on the Record Date and that each Participating Beneficiary has subsequently instructed the following persons:

- (iii) where sub-paragraph (a)(i) applies – the Custodian; and
- (iv) where sub-paragraph (a)(ii) applies – the Downstream Custodian,

to apply for New Units under the UPP on their behalf;

(b) the number of Participating Beneficiaries;

(c) the name and address of each Participating Beneficiary, and that each Participating Beneficiary’s address is located in Australia or New Zealand;

(d) in respect of each Participating Beneficiary:

- (i) where sub-paragraph (a)(i) applies – the number of Units that the Custodian holds on their behalf; and
- (ii) where sub-paragraph (a)(ii) applies – the number of Units to which the beneficial interests relate;

(e) in respect of each Participating Beneficiary:

- (i) where sub-paragraph (a)(i) applies – the number or the dollar amount of New Units they instructed the Custodian to apply for on their behalf; and
- (ii) where sub-paragraph (a)(ii) applies – the number or the dollar amount of New Units they instructed the Downstream Custodian to apply for on their behalf;

(f) there are no Participating Beneficiaries in respect of which the total of the application price for the following exceeds \$15,000:

- (i) the New Units applied for by the Custodian under the UPP in accordance with the instructions referred to in sub-paragraph (e); and
- (ii) any other Units issued to the Custodian in the 12 months before the application as a result of an instruction given by them to the Custodian or the Downstream Custodian to apply for Units on their behalf under an arrangement similar to the UPP;

(g) that a copy of this Booklet was given to each Participating Beneficiary; and

(h) where sub-paragraph (a)(ii) applies – the name and address of each Custodian who holds beneficial interests in the Units held by the Custodian in relation to each Participating Beneficiary,

(Custodian Certificate).

4.2 For further information about the custodian application process, a Custodian should contact the CQR UPP Information Line on 1300 303 063 or +61 1300 303 063 if calling from outside Australia (Monday to Friday – AEDT 8:30am to 5:30pm).

4.3 Applications received from Custodians must be accompanied by a duly completed and signed Custodian Certificate.

4.4 If you hold Units as a trustee or nominee for another person, but are not a Custodian, you cannot participate for beneficiaries in the manner described above.

5. Applying for New Units

5.1 If you are an Eligible Unitholder and wish to participate in the UPP, you may apply to purchase a parcel of 1,300, 2,600 or 3,900 New Units valued at \$4,940, \$9,880 or \$14,820 respectively at the UPP Price. If you do not wish to participate in the UPP, you may disregard this Booklet.

5.2 You can apply by either:

- completing and returning the enclosed Application Form as instructed and return it to the address indicated on the form, together with your payment; or
- making payment directly by BPAY.

Your application and payment must be received by 5.00pm (AEDT) on 16 December 2013 (**Closing Date**). If you are sending the payment by post, then please leave several days for delivery. If you are paying by BPAY, then please check the processing cut-off times with your financial institution. If you make your application by BPAY, you do not need to return the Application Form.

5.3 If you apply for New Units under the UPP, you will apply for a certain number and a certain value of New Units.

5.4 Eligible Unitholders who receive more than one offer under the UPP (for example, because they hold Units in more than one capacity or in different registered holdings) may apply on different Application Forms for New Units but may not apply for New Units with an aggregate value of more than \$15,000.

5.5 CQR may either accept or reject your application for New Units at its absolute discretion. CQR may reject your application in the following circumstances (among others):

- (a) your Application Form is incorrectly completed, incomplete or otherwise determined by CQR to be invalid;
- (b) your cheque is dishonoured;
- (c) the cheque, bank draft or money order that you enclose with your Application Form is not made out for the amount corresponding to the amount of New Units you have elected to purchase;
- (d) your BPAY payment is not received by the Closing Date or is otherwise incomplete or invalid;

(e) CQR believes that you are applying either directly or indirectly (such as through a trust) to buy more than an aggregate of \$15,000 of New Units;

(f) CQR believes that you and one or more other registered holders of the same or similar name or address are applying to buy more than an aggregate of \$15,000 of New Units;

(g) your Application Form or BPAY payment is received after the Closing Date. Late payments will be refunded (without interest);

(h) CQR believes you are not an Eligible Unitholder (subject to compliance with any applicable Australian Securities and Investments Commission or ASX requirements); or

(i) your name is not recorded in the register of members on the Record Date. For example, applications by people claiming an interest in Units through a registered holder of units will not be accepted if the registered holder of units is not noted on the register of members as holding the Units on account of another person.

6. Issue price of New Units under the UPP

6.1 The issue price per New Unit under the UPP will be \$3.80 (UPP Price), being the same price paid by institutional investors in the Placement.

6.2 The current Unit price can be obtained from the ASX and is listed in the financial and business section of major daily newspapers circulating in Australia.

6.3 You agree to pay the UPP Price per New Unit for the number of New Units for which you have applied or, if there is a Scale-back, the number of New Units calculated under clause 9.

7. The New Units

7.1 New Units will be issued on the Issue Date as defined in clause 12.1.

7.2 New Units issued under the UPP will rank equally in all respects with existing Units quoted on the ASX, with the same voting rights, distribution rights and other entitlements from issue.

7.3 CQR will apply for the New Units issued under the UPP to be quoted on ASX.

8. Costs of participation

No brokerage or other transaction costs will apply to the application for, and issue of, New Units under the UPP.

9. Scale-back

9.1 CQR may scale-back the maximum number of New Units issued to each unitholder to the extent and in the manner that it sees fit and at its absolute discretion (Scale-back).

9.2 If a Scale-back occurs, you may receive less than the parcel of New Units for which you have applied. If a Scale-back produces a fractional number of units when applied to your issue of New Units, the number of New Units you will be allocated will be rounded down to the nearest whole number of New Units.

9.3 If there is a Scale-back, your application monies may be greater than the value of the New Units you will be issued. In such event, the excess application monies will be refunded to you without interest, by direct credit (to your nominated account as recorded on CQR's register) or cheque as soon as practicable.

UPP Terms and Conditions

9.4 When deciding on the amount to apply for, please consider the impact of the potential Scale-back as it may impact the number of New Units you receive. Your allocation may be scaled back and you will receive a refund for the balance of your application without interest.

10. Risks

10.1 Subscription for New Units under the UPP is a speculative investment and the market price may change between the date you apply for New Units and the issue of New Units to you. Accordingly, the value of New Units applied for is likely to rise or fall. Importantly, there is a risk that during the period between when you apply for New Units and when the New Units are issued to you, the price at which New Units are traded on the ASX may be less than the UPP Price.

10.2 This document is not a product disclosure statement, and has not been lodged with ASIC. The issue of a product disclosure statement is not required for the purposes of the UPP. This document does not contain the types of disclosure required to be contained in a product disclosure statement. You must rely on your own knowledge of CQR, previous disclosures made by CQR to the ASX (including disclosure regarding the risks of making an investment in CQR) and, if necessary, consult your professional adviser when deciding whether or not to participate in the UPP.

11. Effect of applying for New Units

If you submit a BPAY payment or complete and return an Application Form:

- (a) you acknowledge that you have read and irrevocably and unconditionally agree to the terms and conditions in this Booklet and the Application Form in full and you agree not to do any act or thing which would be contrary to the spirit, intention or purpose of the UPP;
- (b) you acknowledge that you are an Eligible Unitholder and that you are lawfully permitted to accept the offer under the UPP, and participate in the UPP;
- (c) you acknowledge that you do not reside outside Australia or New Zealand, or within the United States;
- (d) you certify that the total of the application price for the following does not exceed \$15,000:
 - (i) the New Units the subject of your application;
 - (ii) any other New Units or any Units that you acquired under any arrangement similar to the UPP in the 12 months before the date of your application;
 - (iii) any other New Units which you have instructed a custodian to acquire on your behalf under the UPP; and
 - (iv) any other Units issued to a custodian under an arrangement similar to the UPP in the 12 months before the date of your application under the UPP as a result of an instruction given by you to the custodian or another custodian and which resulted in you holding beneficial interests in such Units,

even though you may have received more than one offer under the UPP or received offers in more than one capacity under the UPP;

(e) if you are a Custodian and are applying on behalf of a Participating Beneficiary on whose behalf you hold Units, you acknowledge and agree that you are a Custodian (as that term is defined in ASIC Class Order 09/425) and make additional representations that you either:

- (i) hold an Australian financial services licence that:
 - A. covers the provision of a custodial or depository service (as defined by section 766E of the Corporations Act); or
 - B. includes a condition requiring you to comply with the requirements of ASIC Class Order 13/763; or
- (ii) are exempt from the requirement to hold an Australian financial services licence for the provision of a custodial or depository service under:
 - A. paragraph 7.6.01(1)(k) of the Corporations Regulations 2001;
 - B. paragraph 7.6.01(1)(na) of the Corporations Regulations 2001;
 - C. ASIC Class Order 05/1270 to the extent that it relates to ASIC Class Order 03/184;
 - D. ASIC Class Orders 03/1099, 03/1100, 03/1101, 03/1102, 04/829 or 04/1313;
 - E. an individual instrument of relief granted by ASIC in terms similar to one of the Class Orders referred to in D above; or
 - F. paragraph 911A(2)(h) of the Corporations Act 2001 (Cth),

and that the information in the Custodian Certificate submitted with your Application Form is true, correct and not misleading;

- (f) you acknowledge your application is irrevocable and unconditional;
- (g) you declare that all details and statements in your Application Form are true and complete and not misleading;
- (h) you authorise CQR to correct minor errors in your Application Form and to complete the Application Form by inserting any missing minor detail;
- (i) you acknowledge that CQR may at any time determine that your Application Form is valid, in accordance with this Booklet, even if the Application Form is incomplete, contains errors or is otherwise defective;
- (j) you acknowledge that no interest will be paid on any application monies held pending the issuance of the New Units or subsequently returned to you for any reason;
- (k) you accept that CQR at its absolute discretion can make reductions in issuance of New Units under a Scale-back;
- (l) you acknowledge that CQR is not liable for any exercise of its discretions referred to in this Booklet;
- (m) you accept the risk associated with any refund that may be dispatched to you to by cheque to your address or by direct credit to your nominated bank account as shown on CQR's register;

- (n) you are responsible for any dishonour fees or other costs CQR may incur in presenting a cheque for payment which is dishonoured;
- (o) you acknowledge that the New Units have not, and will not be, registered under the US Securities Act or the securities law of any state or other jurisdiction outside Australia or New Zealand and accordingly, the New Units may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
- (p) you agree not to send any materials relating to the UPP to any person in the United States or that is acting for the account or benefit of a US person;
- (q) you acknowledge to be bound by the constitution of CQR;
- (r) you acknowledge that neither CQR nor Link Market Services Limited (Registry) has provided you with investment advice or financial product advice, and that neither has any obligation to provide this advice, concerning your decision to apply for and buy New Units, and that this Booklet has been prepared without taking into account the objectives, financial situation, tax position or needs of individuals; and
- (s) you are aware, and accept the risk, that the market price of Units may change between the date of the UPP offer and the date when New Units are issued to you under the UPP, and that the UPP Price you pay for New Units under the UPP may exceed the market price of Units on the Issue Date.

12. Timetable

12.1 Subject to clause 12.2:

- (a) **(Record Date)** the offer is made to all persons registered as holders of Units at 7.00pm (AEDT) on 21 November 2013 whose address in the register of CQR is in Australia or New Zealand;
- (b) **(Opening Date)** the UPP offer opens on 3 December 2013;
- (c) **(Closing Date)** the UPP offer closes at 5.00pm (AEDT) on 16 December 2013;
- (d) **(UPP Results Announcement)** the number of New Units to be issued and any Scale-back (if applicable) will be announced to the ASX on 20 December 2013;
- (e) **(Issue Date)** CQR proposes to issue the New Units on 20 December 2013;
- (f) **(Trading Date)** CQR expects trading on ASX of the New Units issued under the UPP to commence on 23 December 2013; and

- (g) **(Despatch Date)** the date on which transaction confirmations are sent to unitholders and if applicable, a direct credit deposit to your nominated account is made or refund cheque is despatched as a result of any Scale-back being applied to your allotment, is expected to be 23 December 2013.

12.2 CQR may vary any of the above dates in clause 12.1 in its absolute discretion (even if the offer has been opened, or BPAY payments or Application Forms have been received) by lodging a revised timetable with ASX.

13. No underwriting

The UPP is not underwritten.

14. Class order compliance

A registered holder of Units will be ineligible to participate in the UPP if their participation would be in breach of ASIC Class Order 09/425.

15. Dispute resolution, waiver, withdrawal, suspension, and termination

CQR may settle, in any manner it deems, any difficulties, anomalies, or disputes which may arise in connection with the operation of the UPP and its decision shall be conclusive and binding on all participants and other persons to whom the determination relates. CQR reserves the rights to waive strict compliance with any provisions of this Booklet, to amend or vary the terms and conditions set out in this Booklet and to suspend or terminate the UPP at any time. Any such amendment, variation, suspension or termination will be binding on all Eligible Unitholders even where CQR does not notify you of that event.

16. Privacy

By receiving completed Application Forms, CQR collects personal information about unitholders. CQR will use this information for the purposes of processing the Application Form and updating the records of CQR. To the extent restricted by law, CQR will not disclose personal information about a unitholder to a third party. To the extent permitted by law, unitholders are able to access, upon request, personal information about them held by CQR.

17. Governing Law

This Booklet and the offer under the UPP is governed by the laws in force in New South Wales. Any dispute arising out of or in connection with these Terms and Conditions, or the offer of New Units, will be determined by the courts of New South Wales. By accepting this offer, you agree to submit to the exclusive jurisdiction of the courts in New South Wales.

Before you apply for New Units under the UPP, you should consider obtaining professional financial and/or taxation advice to assist you in determining whether or not, and the extent to which, you wish to participate in the UPP (taking into account your own financial situation, needs and objectives). CQR and its officers make no recommendation about whether or not you should apply for New Units under the UPP, and nothing in these Terms and Conditions, the Application Form or any other accompanying documentation constitutes investment or financial product advice or is intended to influence your decision whether or not to participate in the UPP.

This Booklet does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdictions. Neither the UPP nor the New Units have been or will be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from registration.

