



Distribution Reinvestment Plan

Summary of the Plan

The Valad Property Group Distribution Reinvestment Plan ("Plan") provides holders of Valad Property Group Stapled Securities ("Stapled Securities") with a convenient method of reinvesting all or a part of their dividends and income distributions ("Distributions") in additional Stapled Securities in the Valad Property Group, as follows:

- If you elect to participate in the Plan, at each Distribution payment date, the Distribution otherwise payable on your Stapled Securities participating in the Plan together with any residual balance brought forward from the previous Distribution, will be reinvested in new Stapled Securities.
- These new Stapled Securities are issued at the average of the daily volume weighted average of VPG's stapled security prices (excluding trades which are not in the ordinary course of trading (eg special crossings) over the 10 trading days from the second trading day after the Record date, less such discount as determined by the Administrators not exceeding 10%.
- Participating Securityholders may vary the level of participation or withdraw from the Plan by completing and returning a Notice of Variation so as to be received by the Security Registry on or before books closing date for that Distribution. Securityholders participating in the Plan may sell any of their Stapled Securities at any time.

The Plan will be administered for Valad Funds Management Limited ("VFML") by its directors and for Valad Property Trust ("VPT") by Valad Commercial Management Limited as responsible entity of VPT (the "Administrators"). The Administrators may decide for which Distributions, if any, the Plan is available.

Some of the more specific features of the Plan are now explained in more detail.

The Rules of the Plan are set out on pages 3 to 5.

To Join the Plan

Simply complete and sign the Application form, which is enclosed, specifying whether you wish full or limited participation and return the Application to the Security Registry of the Valad Property Group at the address shown on the form. If you elect limited participation you will have to nominate how many of your Stapled Securities are to participate in the Plan.

Level of Participation

Subject to the right of the Administrators to specify a minimum and/or maximum number of Stapled Securities for participation in the Plan, Securityholders may elect to participate in the Plan in respect of all or part of their holding and, subject to the terms of the Plan, may vary the level of participation or withdraw from the Plan by written Notice of variation as provided in the Plan Rules. Stapled Securities issued under the Plan will be deemed to participate in the Plan for the purposes of future Distribution payments.

Entitlement

Subject to adjustments that may have to be made because of Stapling (see page 2 under the heading "Stapling"), participating Securityholders will be entitled, on each Distribution payment date, to be allotted that whole number equal or nearest to the number of Stapled Securities (after deducting any withholding tax or other amount to be withheld) which the cash Distribution on participating Stapled Securities would purchase at the issue price, after applying the discount referred to above. If there is any residual balance left over after Stapled Securities have been allotted under the Plan it will either be carried forward to the next Distribution and added to that Distribution entitlement in determining the number of additional Stapled Securities to be allotted under the Plan or be paid to the Participant. No interest will accrue in respect of residual balances.

Variation of Level of Participation or Withdrawal from the Plan

Participating Securityholders may vary the level of participation or withdraw from the Plan by completing a Notice of Variation and returning it to the Security Registrar. A Notice of Variation will be effective in relation to a forthcoming Distribution if received by the Registrar before books closing date for that Distribution.

Issue Price of the Plan Stapled Securities

Stapled Securities allotted under the Plan will be issued at the average of the daily volume weighted average of VPG's stapled securities prices, excluding trades which are not in the ordinary course of trading (eg. special crossings) over the 10 trading days from the second trading day after the Record Date, less such discount as determined by the Administrators not exceeding 10%.

Statements

Each participant in the Plan will be sent a statement as at each Distribution payment date, giving details of the participant's participation in the Plan.

Stapled Securities Allotted under the Plan

Stapled Securities issued under the Plan will rank equally in every respect with existing issued fully paid Stapled Securities of the Valad Property Group and will participate in the Plan in respect of subsequent Distributions unless varied by the provision of a Notice of Variation by the participating Securityholder.



Sales of Stapled Securities

Stapled Securities participating in the Plan or Stapled Securities allotted under the Plan may be sold at any time. Should you sell any participating Stapled Securities before the books closing date you should inform your broker that the Stapled Securities are participating in the Plan. You should also immediately send a Notice of Variation to the Security Registrar withdrawing those Stapled Securities from the Plan.

Note: Participating Stapled Securities sold after books closing date for a relevant Distribution will remain subject to the Plan for that Distribution unless Plan participation is altered or cancelled by the Participant providing a Notice of Variation prior to books closing date.

Costs

There are no brokerage or other transaction costs payable on Stapled Securities issued under the Plan. Under present law no stamp or other duties are payable.

ASX Listing

Application will be made for ASX quotation of the Stapled Securities issued under the Plan.

Taxation

Participating Securityholders will be liable to include Distributions reinvested under the Plan in their taxable income on the same basis as if those Distributions had been received in cash. If in doubt you should consult your financial adviser. The Valad Property Group and the Administrators do not take responsibility for the taxation liabilities of Securityholders. We recommend that you obtain professional taxation advice on these matters. Securityholders who are resident overseas are advised to make inquiries about their tax liabilities in their country of residence.

Stapling

This Plan will only operate while Stapling applies.

Shares and Units may only be issued under this Plan in identical numbers Stapled together.

If no or insufficient dividends on Shares or income distributions on Units are available in respect of any Distribution to permit issuance of Shares or Units under the Plan at the ratio required by and in accordance with the constitutions of VFML and VPT, the Administrators may apply such amount of the income distributions on Units or dividends on Shares as are available in respect of that Distribution to permit issuance of Shares or Units under the Plan at the ratio required by and in accordance with the constitutions of VFML and VPT.

Variation of the Plan

The Administrators have the right to modify, vary, suspend or terminate the Plan at their discretion subject to the Rules of the Plan.

Further information

Further information concerning the operation of the Plan can be obtained from:

Security Registrar	OR	Company Secretary
Valad Property Group		Valad Property Group
c/o ASX Perpetual Registrars Ltd		Level 9
Level 8, 580 George Street		1 Chifley Square
Sydney NSW 2000		Sydney NSW 2000

You should read the detailed Rules of the Plan set out on pages 3 to 5 and not rely on this summary. In the event of any inconsistency between the Rules of the Plan and this summary, the Rules of the Plan will prevail. If in doubt, consult your legal or financial adviser before deciding whether to participate. An acquisition of Stapled Securities issued under this Plan may not be an acquisition of securities exempt from section 606 of the Corporations Act or its successor.

Rules of the Plan

1. Participation

- 1.1 Participation is optional and not transferable.
- 1.2 All Securityholders are eligible to participate in the Plan.
- 1.3 Every Securityholder who wishes to participate in the Plan must lodge an Application with the Security Registrar.
- 1.4 Each Application received by the Security Registrar will be effective in respect of the first Distribution payment after receipt of the Application, provided it is received on or before the books closing date for that Distribution.
- 1.5 An Application by joint holders of Stapled Securities must be signed by all joint holders.
- 1.6 An Application must be lodged for each Stapled Security holding account and each Stapled Security holding account of a Securityholder will be treated separately for all purposes under the Plan.

2. Level of Participation

- 2.1 A Securityholder must specify on the Application the extent to which the Securityholder wishes to participate in the Plan in respect of the nominated account. Subject to a minimum and/or maximum number of Stapled Securities determined by the Administrators from time to time participation in the Plan may be either:
 - (a) full participation for the whole of that Securityholder's holding from time to time however acquired (including Stapled Securities issued under the Plan); or
 - (b) limited participation for a nominated number of that Securityholder's Stapled Securities together with the Stapled Securities issued under the Plan. If at the books closing date for a Distribution the number of Stapled Securities held by the Participant is less than the nominated number, then the Plan will apply only to such lesser number for that Distribution.
- 2.2 Applications in respect of a Securityholder's holding which are duly signed, but which do not indicate the degree of participation selected, shall be deemed to be applications for full participation.
- 2.3 The Valad Property Group records of the level of a Securityholder's participation and the number of Stapled Securities subject to the Plan will be conclusive evidence of the matters so recorded.

3. Operation of the Plan

- 3.1 Subject to the Constitutions, Distributions on Stapled Securities participating in the Plan will, upon payment, be applied by the Administrators to acquire additional Stapled Securities in Valad Property Group.
- 3.2 In respect of each Participant, the Administrators will establish and maintain a Plan account. At the time of each cash Distribution payment the Administrators will for that Participant:
 - (a) determine the Distribution payable in respect of the Stapled Securities subject to the Plan and any withholding tax payable or other amount that may be withheld in respect of such Stapled Securities;
 - (b) credit the amount in 3.2(a) above to the Participant's Plan account; and
 - (c) subject to the Constitutions, acquire additional Stapled Securities in the name of the Participant and apply the amount in the Participant's Plan account towards and in satisfaction of the allotment or application price for those additional Stapled Securities.
- 3.3 Subject to the Stapled Adjustment described below, the number of Stapled Securities issued to a Participant will be the whole number equal to, or where not a whole number, the nearest whole number below the number calculated by the formula:

$$\text{Number of Stapled Securities} = \frac{D - T + R}{C} \text{ where,}$$

D is the amount of the Distribution payable on the Participant's participating Stapled Securities as at the books closing date for that Distribution;

T is any withholding tax or other amounts to be withheld in relation to such Stapled Securities;

R is the residual positive balance carried forward in the Participant's Plan account; and

C is the average of the daily volume weighted average of VPG's stapled security prices (excluding trades which are not in the ordinary course of trading (eg special crossings) over the 10 trading days from the second trading day after the Record date, less such discount as determined by the Administrators not exceeding 10%.

- 3.4 The issue price of the Stapled Securities under the Plan will be equal to C in clause 3.3, which will be broken into two components as follows:
- (a) the issue price of the Shares to be issued under the Plan will be determined by the directors of VFML as a component of the price of the Stapled Securities; and
 - (b) the application price of the Units to be issued under the Plan will be determined by the responsible entity of VPT.
- 3.5 Notwithstanding any other provision of this Plan, no Shares or Units may be issued under this Plan unless the number of Shares and Units issued to a Participant are identical and each Share is stapled to a Unit.
- 3.6 In relation to any Distribution, because of the requirements of Stapling, if no or insufficient dividends on Shares or income distributions on Units are available in respect of any Distribution to permit issuance of Shares or Units in accordance with clause 3.5, the Administrators may apply such amount of the income distributions on Units or dividends on Shares as are available in respect of that Distribution to permit issuance of Shares or Units under the Plan in accordance with clause 3.5.
- 3.7 In relation to each Distribution, the amount of a Participant's Distribution on participating Stapled Securities not reinvested in Stapled Securities (including amounts representing a fraction of a Stapled Security or an Share or Unit as the case may be), subject to the proper withholding of any tax or other amounts, at the election of the Administrators, will either be:
- (a) recorded as a residual positive balance in the Plan account and will be carried forward to the next Distribution. No interest will accrue in respect of any residual positive balance; or
 - (b) paid to the Participant without interest.

4. Allotments under the Plan

- 4.1 Stapled Securities to be allotted under the Plan will be issued within the time required by the Listing Rules of the ASX.
- 4.2 Stapled Securities allotted under the Plan will from allotment rank equally in all respects with all other issued fully paid Stapled Securities.
- 4.3 Stapled Securities allotted under the Plan will be issued on the register on which the Securityholder's holding is currently registered. Where Stapled Securities are held on more than one register the Stapled Securities will be issued on the first named register as shown on the register of Securityholders.
- 4.4 Application will be made promptly after allotment of Stapled Securities under the Plan for such Stapled Securities to be quoted on the ASX, if other Stapled Securities are quoted at that time.

5. Statements to Participants

After each Distribution payment Participants will be sent a statement which will show:

- (a) the number of Stapled Securities participating in the Plan;
- (b) from the Distribution paid on those Stapled Securities:
 - (i) the amount comprising dividends on Shares and the amount of the dividend reinvested in additional Shares and in additional Units, and the amount applied towards the Participant's residual positive balance;
 - (ii) the amount comprising income distributions on Units and the amount of the distribution reinvested in additional Units and in additional Shares, and the amount applied towards the Participant's residual positive balance;
 - (iii) the amount of any deduction made from the Distribution; and
 - (iv) the extent to which the dividend component of the Distribution is franked;
- (c) the number of additional Stapled Securities issued and the price (and prices of the Shares and Units comprising the Stapled Securities) at which they were issued; and
- (c) the total number of fully paid Stapled Securities held.

6. Variation or Cancellation of Participation

- 6.1 A Participant may, by lodging a Notice of Variation with the Security Registrar, increase or decrease the number of Stapled Securities participating or cancel participation in the Plan. A Notice of Variation must be lodged for each holding account. To be effective for a forthcoming Distribution, the Notice of Variation must be received by the Security Registrar on or before the books closing date for that Distribution.

- 6.2 Where a Participant disposes of all the Participant's Stapled Securities without giving the Security Registrar notice of cancellation of participation and is not registered as the holder of Stapled Securities at the next closing date, the Participant will be deemed to have cancelled participation on that closing date.
- 6.3 When a Participant disposes of part of a holding of Stapled Securities, and does not notify the Security Registrar otherwise, the Stapled Securities disposed of will, to the extent possible, be taken to be:
 - (a) first, Stapled Securities which are not participating in the Plan; and
 - (b) second, Stapled Securities participating in the Plan.
- 6.4 When a Securityholder has terminated or is deemed to have terminated participation in the Plan any residual cash balance will be paid (in the same manner as if the payment were a Distribution) by cheque at the time the next Distribution is paid.

7. Administration, Modification and Cancellation of the Plan

- 7.1 This Plan will be administered by the Administrators who shall have the power:
 - (a) to determine appropriate procedures for administration of the Plan consistent with the provisions of these Rules and the Constitutions;
 - (b) to resolve conclusively all questions of fact or interpretation in connection with the Plan;
 - (c) to delegate to the extent permitted to any one or more persons, for such period and such conditions as they may determine, the exercise of any of their powers or discretions arising under the Plan; and
 - (d) to amend or add to these Rules on not less than one month's written notice to Securityholders.
- 7.2 Notwithstanding any other provision of this Plan, this Plan must be administered in accordance with the Listing Rules of the ASX and in relation to each of VFML and VPT in accordance with its Constitution, respectively.
- 7.3 The Plan may be suspended or terminated by the Administrators at any time, and the Administrators may decide for which, if any, Distributions the Plan is available.
- 7.4 The non-receipt of any notice under the Plan by the holder of any Stapled Securities or the accidental omission to give notice of modification or termination of the Plan shall not invalidate such modifications or termination.
- 7.5 The Administrators reserve the discretion to waive strict compliance with any provisions of these Rules.
- 7.6 Receipt of an Application or Notice of Variation by the Security Registrar is deemed to be receipt by the Administrators.

8. Costs to Participants

No brokerage, commissions, stamp duty or other transaction costs will be payable by Participants in respect of the application for, and allotment of, Stapled Securities under the Plan. However, a Participant assumes liability for any taxes, stamp duty or other imposts assessed against or imposed on the Participant.

9. Participants to be Bound

Participants are at all times bound by the Rules of the Plan.

10. Stapling

- 10.1 If Stapling ceases to apply, this Plan will terminate automatically.
- 10.2 To the extent this Plan or the publication of this Plan may be an offer of securities, this Plan is a contemporaneous offer of identical numbers of Shares and Units which will be stapled together.
- 10.3 An Application and any Notice of Variation under this Plan is deemed contemporaneously to be in relation to Shares and Units to be issued hereunder.
- 10.4 If the directors of VFML or the responsible entity of VPT determine to suspend or terminate this Plan, this Plan will be suspended or terminated automatically.

11. Interpretation

11.1 In these Rules unless the context otherwise indicates:

"Administrators" means the administrators of the Plan being the directors of VFML in relation to Shares and the responsible entity of the VPT in relation to Units;

"Application" means a form of application approved by the Administrators from time to time;

"ASX" means the Australian Stock Exchange Limited or its successors;

"Constitutions" means the constitutions of VFML and VPT;

"Distribution" means a dividend in respect of a Share and an income distribution in respect of a Unit;

"Valad Property Group Distribution Reinvestment Plan" and "Plan" means this plan which has been agreed and implemented by VFML, Valad Commercial Management Limited as the responsible entity of VPT as a Stapled Security reinvestment plan to permit dividends on Shares to be reinvested in Shares and distributions on Units to be reinvested in Units.

"VF" or "Valad Property Group" means VFML and VPT;

"Notice of Variation" means a form of notice approved by the Administrators from time to time by which a Participant may vary or cancel participation in the Plan;

"Participant" means an eligible Securityholder with Stapled Securities participating in the Plan;

"Related Party" has the same meaning as in the Listing Rules of the ASX, or such other person as determined by the ASX in accordance with those rules;

"Securityholder" means the registered holder of a Stapled Security;

"Security Registrar" means the security registrar for the Valad Property Group;

"Share" means a share in VFML;

"Stapled Security" means a Share and a Unit which are stapled together;

"Stapling" means where each Share is Stapled to a Unit to form a Stapled Security, as a consequence of being quoted together on an official stock exchange so that one security may not be dealt with without the other being dealt with in an identical manner and at the same time and with such restriction on dealing being denoted on the register of each security;

"Unit" means a unit in VPT;

"VFML" means Valad Funds Management Limited; and

"VPT" means Valad Property Trust.