



## ASTC Bulletin

Date: 10 June, 2009

## Key topics

1. Charter Hall Group - ASX code: CHC
2. Foreign Ownership Restrictions

## Reading List

Client Advisers (Brokers)  
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 ACH Participants  
 Operations Managers (back office)  
 Share Registries

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## PARTICIPANT BULLETIN

### CHARTER HALL GROUP ("Charter Hall") - ASTC SETTLEMENT RULE 5.18.2 INCLUSION OF STAPLED SECURITIES OF CHARTER HALL GROUP AS "FOR" FINANCIAL PRODUCTS – REGULATIONS UNDER THE US SECURITIES ACT

This Bulletin contains important information and should be read carefully by Participants.

The following class of Financial Products is expected to be included in Schedule 1 of the ASTC Settlement Rules as an FOR Financial Product, effective 11 June 2009.

Issuer	Financial Product	ASX Code
Charter Hall Group	Stapled Securities of Charter Hall Group – Excluded U.S. Person Prohibited	CHC

The Stapled Securities issued by Charter Hall ("Charter Hall's Financial Products") are not permitted to be held at any time by, or for the account or benefit of, any U.S. Person who is not both a Qualified Institutional Buyer and a Qualified Purchaser ("Excluded U.S. Person").

In order to ensure that foreign ownership restrictions can be monitored and that Charter Hall's Financial Products are not held by or for the account or benefit of any Excluded U.S. Person, ASTC has agreed:

- (a) to classify Charter Hall's Financial Products as FOR Financial Products under the ASTC Settlement Rules and to include Charter Hall's Financial Products in Schedule 1 of the ASTC Settlement Rules; and
- (b) to implement certain additional procedures as contemplated in Guidance Note 4 of the ASTC Settlement Rules (Financial Products subject to Foreign Ownership Restrictions) in relation to Charter Hall's Financial Products.

The following conditions apply to Charter Hall's Financial Products as FOR Financial Products:

#### Foreign Person

A "Foreign Person" is an "Excluded U.S. Person" as that term is defined in the attachment to this bulletin.

#### Level of Foreign Ownership

The relevant foreign ownership level is zero.

Charter Hall, as Issuer of the Financial Products, has agreed to be bound by the additional obligations of an Issuer of FOR Financial Products under Rule 5.18 of the ASTC Settlement Rules.

Charter Hall's Financial Products are being offered and will be traded on the ASX market in reliance on the safe harbour provisions of Regulation S under the US Securities Act and the no-action letter dated 7 January 2000 given to ASX by the staff of the United States Securities and Exchange Commission (SEC) in respect of such offerings on the ASX market. That relief was given subject to compliance with certain procedures described in the no-action letter. These procedures include application of the status of FOR Financial Products to Charter Hall's Financial Products under the ASTC Settlement Rules.

The following information has been provided to ASTC by Charter Hall to assist Participants.

#### Definition of "Foreign Person"

A definition of "Foreign Person" is provided by Charter Hall for the purposes of flagging and establishing Holder Records, and for the guidance of Participants. In this case, "Foreign Person" is an "Excluded U.S. Person" as that term is defined in the attachment to this bulletin.

#### Foreign Ownership Percentage Level

The relevant Foreign Ownership Percentage Level in respect of Charter Hall's Financial Products is zero.

This means that no Excluded U.S. Person may purchase or hold Charter Hall's Financial Products.

Where a holder is currently designated as "F" or "M", and wishes to hold Charter Hall's Financial Products, but is not an Excluded U.S. Person, a new holder record should be established for that holder designated as "D", for the purposes of holding Charter Hall's Financial Products.

Where a holder is currently designated as "F" or "M", and is an Excluded U.S. Person, that person cannot purchase or hold Charter Hall's Financial Products.

Participants should liaise with clients intending to hold Charter Hall's Financial Products and make all necessary enquiries to ensure that those clients are not Excluded U.S. Persons. Failure to do so may result in client loss. Similarly, Participants may be liable for any failure to establish a new Holder Record designated as "D" or effect a change of residency indicator where it is necessary.

#### Foreign & Mixed Holdings

Charter Hall's Financial Products cannot be held by an Excluded U.S. Person in holdings designated as "Foreign" or "Mixed" under any circumstances, as they may be subject to divestment action by the Issuer as set out under ASTC Settlement Rule 5.18.3.

#### Divestment Periods and Procedure

If the Foreign Ownership Percentage Level is breached, that is, if any Excluded U.S. Person designated as "F" or "M" is registered as holding Charter Hall's Financial Products, Charter Hall reserves the right, to the maximum extent permitted by law, to take divestment or forfeiture action in respect of those Financial Products.

Any queries in respect of this information should be directed to Charter Hall or LINK Market Services Limited on 02 9280 7111.

## Attachment - Definition of "Excluded US Person"

A "Excluded U.S. Person" means a holder of Stapled Securities of Charter Hall (or a person who seeks to be entered on the register as a holder of Stapled Securities of Charter Hall) whom Charter Hall has determined is a U.S. Person that is not a QIB-QP or holds or will hold Stapled Securities of Charter Hall for the account or benefit of any U.S. Person who is not a QIB-QP.

A "QIB-QP" means any U.S. Person that is both a Qualified Institutional Buyer and a Qualified Purchaser.

A "Qualified Institutional Buyer" has the meaning given in Rule 144A under the U.S. Securities Act of 1933, as amended.

A "Qualified Purchaser" has the meaning given in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended and the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

A "U.S. Person" has the meaning given in Rule 902(k) of Regulation S under the U.S. Securities Act of 1933, as amended.

### 1. "U.S. Person" means:

- i. Any natural person resident in the United States;
- ii. Any partnership or corporation organized or incorporated under the laws of the United States;
- iii. Any estate of which any executor or administrator is a U.S. person;
- iv. Any trust of which any trustee is a U.S. person;
- v. Any agency or branch of a foreign entity located in the United States;
- vi. Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- vii. Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and
- viii. Any partnership or corporation if:
  - A. Organized or incorporated under the laws of any foreign jurisdiction; and
  - B. Formed by a U.S. person principally for the purpose of investing in securities not registered under the US Securities Act of 1933, as amended, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a)) who are not natural persons, estates or trusts.

### 2. The following are not "U.S. persons":

- i. Any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. person by a dealer or other professional fiduciary organized, incorporated, or (if individual) resident in the United States;
- ii. Any estate of which any professional fiduciary acting as executor or administrator is a U.S. person if:
  - A. An executor or administrator of the estate who is not a U.S. person has sole or shared investment discretion with respect to the assets of the estate; and
  - B. The estate is governed by foreign law;
- iii. Any trust of which any professional fiduciary acting as trustee is a U.S. person if a trustee who is not a U.S. person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. person;

- iv. An employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country;
- v. Any agency or branch of a U.S. person located outside the United States if:
  - A. The agency or branch operates for valid business reasons; and
  - B. The agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and
- vi. The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans.

"United States" means the United States of America, its territories and possessions, any State of the United States and the district of Columbia.