

DISTRIBUTION REINVESTMENT PLAN (DRP) RULES

TERMS AND CONDITIONS OF THE DRP

1. Defined terms

- 1.1 In this DRP, the following words and expressions have the meanings indicated unless the contrary intention appears.

ASX means ASX Limited or the securities market conducted by it, as the context requires.

ASX Listing Rules means the listing rules of the ASX and any other rules of ASX which are applicable while Units are admitted to the official list of the ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

Business Day has the meaning given to it in the ASX Listing Rules.

Cash Distribution means a Distribution payable to a Participant in respect of Participating Units wholly in cash and, in the case of a Distribution payable only partly in cash, that part of the Distribution which is payable in cash.

Change of Distribution Election Form means a form (as approved by the Responsible Entity) by which a Participant may apply to vary the level of, or withdraw from, participation in the DRP.

Closing Date means, in relation to a Distribution, 5:00 pm (Sydney time) on the first Business Day after the Record Date for that Distribution.

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

Distribution means a distribution declared or otherwise to be paid in respect of Units by the Responsible Entity.

Distribution Payment Date means the date on which a Distribution is paid by the Responsible Entity.

DRP means the Trust Distribution Reinvestment Plan, as amended, modified or substituted from time to time.

DRP Statement means the statement referred to in clause 9.

Electronic Election means an electronic DRP election (as approved by the Responsible Entity) by which:

- (a) a Unitholder may apply to join the DRP; or
- (b) a Participant may apply to vary the level of, or withdraw from, participation in the DRP.

Full Participant means a Participant who, for the time being, participates in the DRP in respect of all the Units of which the Participant is registered as the holder, including Units subsequently acquired by the Unitholder whether under the DRP or otherwise.

Limited Participant means a Participant who, for the time being, participates in the DRP in respect of some, but not all, of the Units of which the Participant is registered as the Unitholder.

Manager means Perpetual Investment Management Limited ACN 000 866 535 AFSL 234426.

Non-Participating Units means any Units of which a Participant is registered as the Unitholder which are not subject to the DRP.

Participant means a Unitholder who is accepted as a participant in the DRP.

Participating Distribution means in respect of a Participant, the total Cash Distribution payable to that Participant reduced by any amount, including withholding tax, where appropriate, which the Trust is required to or may deduct for any reason from the Cash Distribution payable to that Participant.

Participating Units means Units of which a Participant is registered as the Unitholder that are subject to the DRP.

Responsible Entity means Perpetual Trust Services Limited ACN 000 142 049 AFSL 236648.

Record Date means, in relation to a Distribution, the time and date determined by the Responsible Entity for the purpose of determining entitlements to that Distribution.

Unit means a fully paid unit in the Trust.

Unit Price means, in relation to a Distribution, the net asset value of a Unit as determined in accordance with the Constitution on the Record Date.

Unit Registry means Automic Pty Limited ACN 152 260 814.

Unitholder means a person registered as the holder of one or more Units.

Terms and Conditions means the terms and conditions of the DRP, as amended, modified or substituted from time to time.

Trust means Perpetual Credit Income Trust ARSN 626 053 496

- 1.2 Words importing gender include the masculine, feminine and neuter genders and the singular includes the plural and vice versa.
- 1.3 Headings are included for convenience only and will not affect the construction or interpretation of the DRP.

2. The DRP

- 2.1 The DRP is a method by which Unitholders may elect to receive additional Units in substitution for Cash Distributions declared or authorised for payment by the Responsible Entity in respect of all or part of the Units of which the Unitholders are registered.
- 2.2 Participation by Unitholders in the DRP is optional and is not transferable.

3. Eligibility

- 3.1 Subject to clauses 3.2 and 3.3, all Unitholders whose registered address is in Australia or New Zealand are eligible to participate in the DRP.
- 3.2 A Unitholder will not be able to participate in the DRP until receipt by the Responsible Entity from the Unitholder of a Change of Distribution Election Form or Electronic Election.
- 3.3 The Responsible Entity may in its absolute discretion accept or refuse to accept in whole or in part any Change of Distribution Election Form or Electronic Election. Without limiting the generality of the above, the Responsible Entity may from time to time determine that the right to participate in the DRP is not available to Unitholders:

- (a) who have registered addresses in a country or place where participation in the DRP would or may be unlawful or if any other formality under the laws of that country or place cannot reasonably or practicably be complied with by the Responsible Entity at a cost that is acceptable to the Responsible Entity; or
- (b) whose participation in the DRP might lead to foreign persons or associates of foreign persons acquiring a substantial interest or an aggregate substantial interest in the Trust in breach of the *Foreign Acquisitions and Takeovers Act 1975* (Cth).

- 3.4 If the Responsible Entity refuses a Change of Distribution Election Form or Electronic Election, the Responsible Entity must notify the relevant Unitholder of the refusal as soon as practical afterwards. The Responsible Entity will not be obliged to state reasons for the refusal of a Change of Distribution Election Form or Electronic Election.
- 3.5 A Unitholder is solely responsible for obtaining any government or regulatory approvals and consents necessary for that Unitholder to participate legally in the DRP.

4. Levels of Participation

- 4.1 Unitholders may, in their Change of Distribution Election Form or Electronic Election, nominate one of the following levels of participation:
 - (a) **Full participation**

A Unitholder may nominate all Units registered in the Trust of that Unitholder, including Units subsequently acquired by the Unitholder whether under the DRP or otherwise, to participate in the DRP. If a Unitholder's Change of Distribution Election Form or Electronic Election is accepted, that Unitholder will be admitted as a Full Participant.
 - (b) **Limited participation**

A Unitholder may nominate a specific number of Units held in the Trust of that Unitholder to participate in the DRP. If a Unitholder's Change of Distribution Election Form or Electronic Election is accepted, that Unitholder will be admitted as a Limited Participant in respect of the nominated Units only.
- 4.2 Unitholders will on acceptance of their Change of Distribution Election Form or Electronic Election by the Responsible Entity participate in the DRP only to the extent they have elected to participate under clause 4.1.

4.3 If the Responsible Entity receives a completed Change of Distribution Election Form or Electronic Election from a Unitholder where the level of participation is not clearly specified, in the opinion of the Responsible Entity, the DRP election will be deemed to be a request that all Units held by the Unitholder participate in the DRP.

4.4 A Participant may at any time vary the level of participation (but not the Terms and Conditions of the participation) in the DRP by completing and returning to the Unit Registry a further Change of Distribution Election Form or making a further Electronic Election specifying the variation to be made in the level of participation. The variation in the level of participation will take effect from the date of receipt of that further Change of Distribution Election Form by the Unit Registry or further Electronic Election is lodged.

5. Change of Distribution Election Form

5.1 A Change of Distribution Election Form must be in a form approved by the Responsible Entity or in a form otherwise acceptable to the Responsible Entity.

5.2 If a Change of Distribution Election Form is completed by an individual or a body corporate under a power of attorney, the power of attorney under which it is signed or a certified copy of that power must accompany the Change of Distribution Election Form unless the power of attorney has previously been noted by the Responsible Entity.

5.3 A completed Change of Distribution Election Form received by the Unit Registry to participate in the DRP or to vary the level of participation or to terminate participation in the DRP is not effective in respect of a Distribution unless it is received prior to the Closing Date for that Distribution.

5.4 Formal notice by way of a Change of Distribution Election Form remains in force until:

- (a) the Participant formally varies or terminates the Participant's participation in the DRP in accordance with these Terms and Conditions; or
- (b) the Responsible Entity terminates the DRP, whichever occurs earlier.

6. Electronic Elections

6.1 An Electronic Election may be lodged electronically by logging into your online account at <https://investor.automic.com.au>.

6.2 An Electronic Election lodged with the Unit Registry to participate in the DRP or to vary the level of participation or to terminate participation in the DRP is not effective in respect of a Distribution unless it is received prior to the Closing Date for that Distribution.

6.3 An Electronic Election will:

- (a) not be taken to have been lodged unless it is validly completed;
- (b) be taken to be signed by the relevant Unitholder or, if applicable, joint holders of Units; and
- (c) be taken to be received by the Unit Registry at the time of its electronic lodgement.

7. Operation of the DRP

7.1 The Participating Distribution must be applied by the Responsible Entity on the Participant's behalf in subscribing for additional Units in accordance with clause 7.3.

7.2 The price at which each Unit is issued under the DRP in respect of a Participating Distribution is the Unit Price.

7.3 The Responsible Entity will establish and maintain a DRP account for each unitholding account of each Participant. At the time of each Distribution Payment Date, the Responsible Entity will for each Participant:

- (a) determine the Participating Distribution payable in respect of the Participating Units which may be reinvested under the DRP;
- (b) credit the amount in paragraph 7.3(a) above to the Participant's DRP account;
- (c) determine the maximum whole number of Units, priced in accordance with clause 7.2, which can be acquired under this DRP by using the amount in the Participant's DRP account (if a fraction results from the application of this clause, the result will be rounded down to the nearest whole number); and
- (d) on behalf of and in the name of the Participant, subscribe for or arrange the purchase and transfer of the number of Units determined under paragraph 7.3(c) above and debit the aggregate price of those Units against the balance in the Participant's DRP account.

8. Units issued under the DRP

8.1 Subject to the Constitution, all Units issued under the DRP:

- (a) will be issued on or about the time of the Distribution Payment Date to which the Distribution relates; and
- (b) rank equally in every respect with the existing issued Units.

- 8.2 The Responsible Entity will make the application and take all steps necessary for official quotation of all new Units issued under the DRP on the ASX immediately after they are issued.

9. DRP Statements

- 9.1 The Responsible Entity will send to each Participant as soon as practical following each Distribution Payment Date a DRP Statement detailing the following information:
- (a) the number of units of the Participant in the DRP as at the relevant Closing Date;
 - (b) the amount of the Distribution and Cash Distribution payable on each Participating Unit;
 - (c) if applicable, the amount of withholding tax and any other amount which has been deducted from the Cash Distribution payable on the Participating Units;
 - (d) the total available Participating Distribution payable on the Participating Units;
 - (e) the number of Units to be allotted to the Participant under the DRP and the date of issue of those Units;
 - (f) the Unit Price of each Unit to be allotted to the Participant under the DRP;
 - (g) the amount and extent to which the Distribution is taxable (if known at the time);
 - (h) subject to any Unit transactions in the intervening period, the total number of Units of the Participant participating in the DRP after the Distribution; and
 - (i) such other information as the Responsible Entity may at any time and from time to time determine.

10. Costs to Participating Unitholders

- 10.1 No brokerage, commission or other transaction costs will be payable by Participants on Units acquired under the DRP.
- 10.2 If the existing legislation changes so that at the date of any issue, any stamp duty is payable in respect of the issue, the amount of such stamp duty will be paid by the Participant to whom the Units are issued and will be debited to that Participant's DRP account.

11. Variation to Participation in the DRP

Subject to clause 5.3, a Participant may at any time vary participation (but not the Terms and Conditions of the participation) in the DRP by completing and returning to the Unit Registry a further Change of Distribution Election Form or making a further Electronic Election specifying the variation the Participant wishes to make.

12. Acquisition and Sale of Units by Participants

12.1 Where a Participant is a Full Participant:

- (a) all Units allotted or transferred to a Full Participant under the DRP will be added to the number of Participating Units unless a further Change of Distribution Election Form advising the Responsible Entity to the contrary has been delivered to the Unit Registry or a further Electronic Election has been made; and
- (b) any further Units acquired (by whatever means) by a Full Participant automatically become Participating Units on being registered in the Full Participant's name.

12.2 Where a Participant is a Limited Participant:

- (a) unless advised by the Limited Participant to the contrary, if a Limited Participant sells or transfers, the Units sold or transferred will, first, reduce the number of Non-Participating Units and, secondly, the number of Participating Units; and
- (a) if by the acquisition of any further Units (by whatever means), the number of Units held by a Limited Participant increases to a number greater than the original nominated number of Participating Units held, the excess of Units over the original nominated number of Participating Units are taken to be Non-Participating Units unless otherwise notified by a further Change of Distribution Election Form delivered to the Unit Registry or a further Electronic Election has been made by the Limited Participant.

13. Termination of Participation

13.1 Subject to clause 5.3, a Participant may at any time terminate participation in the DRP by completing and returning to the Unit Registry a further Change of Distribution Election Form, or making a further Electronic Election indicating the Participant's wish to terminate participation in the DRP.

13.2 Subject to clause 5.3, a Participant will be deemed to have terminated their participation in the DRP:

- (a) on receipt by the Unit Registry of a Change of Distribution Election Form or an Electronic Election in accordance with clause 13.1;
- (b) on registration of a transfer or disposal of all of their Participating Units;
- (c) on termination of the DRP by the Responsible Entity in accordance with clause 14;
- (d) on receipt by the Responsible Entity of the notice of death or bankruptcy of the Participant; or

- (e) on the Participant ceasing to be eligible for participation in the DRP, for example by changing their registered address to an ineligible country.

- 13.3 For the purposes of clause 13.2, the death of any one of two or more joint Unitholders will automatically terminate the participation of the remaining Unitholder or joint Unitholders. The remaining Unitholder or Unitholders may recommence their participation in the DRP by completing and returning to the Unit Registry a Change of Distribution Election Form or making an Electronic Election to do so.
- 13.4 A Unit which has ceased to be a Participating Unit is not prohibited from subsequently becoming again subject to the DRP.
- 13.5 Where a Participant ceases to participate in the DRP for any reason, the Responsible Entity must pay to the Participant (at a time and in a manner determined by the Responsible Entity) any positive balance in the Participant's DRP account.

14. Modification and Termination by the Responsible Entity

- 14.1 The Responsible Entity may at its discretion at any time resolve to:
 - (a) vary the DRP and any agreement relating to the DRP;
 - (b) suspend the operation of the DRP; or
 - (c) terminate the DRP.
- 14.2 Any variation, suspension or termination made in accordance with clause 14.1:
 - (a) subject only to clause 14.4, is effective from the date of resolution or otherwise from the date determined by the Responsible Entity; and
 - (b) does not give rise to any liability on the part of or right of action against the Trust or the Responsible Entity.
- 14.3 The Responsible Entity must give written notification to the Participants of any variation, termination or suspension of the DRP.
- 14.4 Termination of the DRP is not effective prior to a date at least one month after the date on which notice is given by the Responsible Entity to the Participants of their intention to terminate the DRP.
- 14.5 If the Responsible Entity varies these Terms and Conditions, the Participants continue to participate under the modified DRP unless the Responsible Entity is notified by a Participant to the contrary by a further Change of Distribution Election Form or by a further Electronic Election.

- 14.6 The accidental omission to give notice of any variation, suspension or termination of the DRP to any Participant or the non-receipt of any notice by any Participant does not invalidate the variation, suspension or termination of the DRP.

15. Disputes

The Responsible Entity has absolute discretion to resolve any dispute concerning the DRP in the manner it sees fit or to adopt any administrative procedures as it deems appropriate. The decision of the Responsible Entity will be final and binding on the Participants.

16. Taxation

Neither the Trust nor the Responsible Entity, its officers, employees, representatives or agents take any responsibility or assume any liability for the taxation liabilities of Participants. Specific taxation advice from professional advisers should be obtained by the Participants.

17. Notices

- 17.1 Notices to the Responsible Entity are only effective if in writing and in such form as the Responsible Entity directs or accepts from time to time and sent to the Unit Registry at:

Automic Pty Limited
Level 5
126 Phillip Street Sydney NSW 2000,
or such other address as is notified by the Responsible Entity from time to time.

18. General

- 18.1 The DRP will not apply in any case where, in accordance with the Constitution or otherwise by law, the Responsible Entity is entitled by law to retain all or part of a Distribution payable in respect of Units which a Participant has nominated as participating in the DRP or where the Responsible Entity is entitled to a charge over those Units or over any relevant Distribution payable.

19. Governing Law

The DRP, the Terms and Conditions and the operation of the DRP are governed by the laws of New South Wales, Australia.

This DRP was prepared in May 2019.

DIRECTORY

Trust

Perpetual Credit Income Trust

ARSN 626 053 496

Responsible Entity

Perpetual Trust Services Limited

ACN 000 142 049

AFSL 236648

Level 18, 123 Pitt Street

Sydney NSW 2000

Manager

Perpetual Investment Management Limited

ACN 000 866 535

AFSL 234426

Level 18, 123 Pitt Street

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Unit Registry

Automic Pty Limited

ACN 152 260 814

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Disclaimer

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Disclaimer to New Zealand Unitholders

This DRP does not constitute a New Zealand product disclosure statement or other disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority under or in connection with the Financial Markets Conduct Act 2013 (NZ). Participation in New Zealand in the DRP is open only to persons to whom financial products may be offered in New Zealand pursuant to the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (or any replacement of that notice).

The taxation treatment of Australian financial products is not the same as for New Zealand financial products. The offer of Units under the DRP may involve a currency exchange risk as they will be quoted on the ASX in Australian dollars.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

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