



(Constituted in the Republic of Singapore pursuant to a trust deed dated 31 March 2006 (as amended))

**ESR-REIT
DISTRIBUTION REINVESTMENT PLAN STATEMENT
(AS AMENDED ON 26 APRIL 2010)**

1. DISTRIBUTION REINVESTMENT PLAN STATEMENT

This Distribution Reinvestment Plan Statement (“**Statement**”) contains the terms and conditions of the ESR-REIT Distribution Reinvestment Plan (the “**DRP**”) under which persons registered in the register of Unitholders (as defined below) of ESR-REIT or, as the case may be, the Depository Register (as defined below) as the holders of such units in ESR-REIT (the “**Unitholders**”) may elect to receive fully paid units in ESR-REIT (the “**Units**”) in lieu of the cash amount of any distribution (including any interim, final, special or other distribution) which is declared on the Units held by them (after the deduction of applicable income tax, if any).

Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made in this Statement.

2. SUMMARY OF MAIN FEATURES

The DRP provides Unitholders with the option to elect to receive Units in lieu of the cash amount of any distribution (including any interim, final, special or other distribution) (the “**Distribution**”) declared on their holding of Units (after the deduction of applicable income tax, if any).

Under present law in Singapore, there is no brokerage, stamp duty or other transaction costs payable on Units allotted under the DRP.

All Unitholders are eligible to participate in the DRP subject to the restrictions on Overseas Unitholders (as defined below), more particularly described below and except for such other Unitholders or class of Unitholders as the manager of ESR-REIT (the “**Manager**”) may in its discretion decide.

Unitholders may elect to participate in respect of part or all of their holding of Units to which each Notice of Election (as defined below) relates in respect of any Qualifying Distribution. In a case where a Unitholder elects to receive new Units in respect of part of his entitlement to the Qualifying Distribution, the Unitholder will then receive his remaining Qualifying Distribution to which each Notice of Election relates in cash. Unitholders receiving more than one Notice of Election may elect to participate in respect of part or all of their holding of Units to which one Notice of Election relates and choose not to participate in respect of part or all of their holding of Units to which any other Notice of Election relates.

The Manager may, at its discretion, provide Unitholders with the option of making a permanent election to receive DRP Units in respect of their entitlements to all future Qualifying Distributions, which each Notice of Election relates.

Unitholders should note that there is presently no permanent election feature available and the Manager will make an announcement containing the relevant details should it choose to offer this feature to Unitholders in the future.

The Manager may, in its absolute discretion, determine that the DRP will apply to any particular Distribution. An announcement will be made by the Manager as soon as practicable following

the determination by the Manager that the DRP is to apply to a particular Distribution, and in any event, by no later than the next Market Day (as defined below) immediately following the Books Closure Date (as defined below) in respect of the particular Distribution. Unless the Manager has determined that the DRP will apply to any particular Distribution, the Distribution concerned will be paid in cash to the Unitholders in the usual manner.

Units allotted under the DRP will rank *pari passu* in all respects with the Units then in issue save only as regards participation in the Qualifying Distribution which is the subject of the election (including the right to make any election pursuant to the DRP) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the Qualifying Distribution which is the subject of the election, unless the Manager shall otherwise specify.

Unitholders participating in the DRP will receive, at or about each Distribution payment date, notification letters setting out, among other things, the number of Units allotted to them under the DRP.

3. HOW TO PARTICIPATE

Participation in the DRP is optional.

A Unitholder wishing to receive Units in respect of any Qualifying Distribution to which a Notice of Election received by him relates should complete such Notice of Election and return it to the Unit Registrar.

A Unitholder receiving more than one Notice of Election and wishing to receive Units in respect of part or all of his entitlement to the Qualifying Distribution for all Units held by him must complete all Notices of Election received by him and return the completed Notices of Election to the Unit Registrar.

Unitholders should note that there is presently no permanent election feature available and the Manager will make an announcement in due course should it choose to offer this feature to Unitholders in the future.

To be effective in respect of any Qualifying Distribution to which a Notice of Election relates, such duly completed Notice of Election must be received by the Unit Registrar no later than the date to be specified by the Manager in respect of that Qualifying Distribution. The Unit Registrar's records of the level of a Unitholder's participation will be conclusive evidence of the matters so recorded.

4. TERMS AND CONDITIONS OF THE DRP

4.1 Establishment

The DRP has been established by the Manager for the benefit of ESR-REIT.

4.2 Terms and Conditions

The following are the terms and conditions ("**Terms and Conditions**") of the DRP.

In these Terms and Conditions:

“Books Closure Date” shall mean the date to be determined by the Manager on which the register of Unitholders of ESR-REIT will be closed for the purpose of determining the entitlements of Unitholders to a Distribution and is the day immediately preceding the first day of the Books Closure Period;

“Books Closure Period” shall mean the period to be determined by the Manager during which the register of Unitholders of ESR-REIT will be closed for the purpose of determining the entitlements of Unitholders to a Distribution;

“CDP” shall mean The Central Depository (Pte) Limited, **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the respective meanings ascribed to them in the Companies Act, Chapter 50 of Singapore;

“Distribution” shall mean a distribution (including any interim, final, special or other distribution) which a Unitholder is entitled to receive for each Unit held by him, as declared by the Manager from time to time;

“Distribution Calculation Date” shall mean 31 March, 30 June, 30 September and 31 December in each year occurring after the listing date of ESR-REIT or such other date or dates as the Manager may determine;

“Distribution Date” shall mean a Business Day, which is no later than 90 calendar days after the Distribution Calculation Date for the relevant Distribution Period, on which the Distribution is payable;

“Distribution Period” shall mean the period from and including the day after the immediately preceding Distribution Calculation Date to and including the next occurring Distribution Calculation Date, or, as the case may be, for the last Distribution Period, the period from and including the day after the immediately preceding Distribution Calculation Date to and including the date of winding up of ESR-REIT;

“Market Day” shall mean a day on which the SGX-ST is open for trading in securities;

“Price Determination Period” shall mean the period commencing on the day on which the Units are first quoted ex-distribution on the SGX-ST and ending on the Books Closure Date;

“Qualifying Distribution” shall mean any Distribution to which the DRP (as determined by the Manager as provided below) applies;

“SGX-ST” shall mean Singapore Exchange Securities Trading Limited (including any successor entity or body);

“Trust Deed” shall mean the trust deed dated 31 March 2006 entered into between the Trustee and the Manager constituting ESR-REIT, as amended and/or modified by the supplemental deeds of amendments from time to time;

“Units” shall mean an undivided interest in ESR-REIT as provided for in the Trust Deed; and

“S\$” means the lawful currency of Singapore.

4.3 Eligibility

All Unitholders are eligible to participate in the DRP, subject to the restrictions on Overseas Unitholders, more particularly described below and except that participation in the DRP shall not be available to such Unitholders or class of Unitholders, as the Manager may in its discretion determine, and further subject to the requirement that such participation by the Unitholder will not result in a breach of any other restriction on such Unitholder’s holding of Units which may be imposed by any statute, law or regulation in force in Singapore or any other relevant jurisdiction, as the case may be, or by the Trust Deed.

4.4 Unitholders Resident Outside Singapore

The DRP Units have not been, and will not be, registered under the U.S. Securities Act and may not be offered, sold or resold in the United States or to, or for the account or benefit of, any U.S. Person, except in a transaction not subject to or exempt from the registration requirements of the U.S. Securities Act and the securities laws of any state or other jurisdiction in the United States. Furthermore, for practical reasons and to avoid any violation of the securities laws applicable in countries outside Singapore where Unitholders may have their registered addresses, (unless otherwise determined by the Manager) the DRP will not be offered to Unitholders with registered addresses outside Singapore and who have not provided to CDP, not later than five Market Days prior to the Books Closure Date, addresses in Singapore for the service of notices and documents (the “Overseas Unitholder”). No Overseas Unitholder shall have any claim whatsoever against ESR-REIT or the Manager as a result of the DRP not being offered to such Overseas Unitholders. Where the DRP is not offered to Overseas Unitholders, Overseas Unitholders who receive or come to have in their possession this Statement and/or a Notice of Election may not treat the same as an invitation to them and are advised to inform themselves of, and to observe, any prohibitions and restrictions, and to comply with any applicable laws and regulations relating to the DRP as may be applicable to them. Overseas Unitholders who wish to be eligible to participate in the DRP may provide an address in Singapore for the service of notices and documents by notifying CDP, at 9 North Buona Vista Drive #01-19/20, The Metropolis, Singapore 138588 (or such other address as may be announced by the Manager from time to time) not later than five Market Days prior to the Books Closure Date. Unitholders should note that all correspondences and notices will be sent to their last registered addresses with CDP. Unitholders which are subject to the laws and regulations of jurisdictions outside Singapore shall, in participating in the DRP, be deemed to have complied with all applicable legal and regulatory requirements of the relevant jurisdictions.

4.5 Level of Participation

A Unitholder may elect to participate in the DRP (the “Participating Unitholder”) in respect of part or all of his holding of Units as at each Books Closure Date to which each Notice of Election received by him relates for a Qualifying Distribution (the “Participating Units”).

4.6 Permanent Election

Unitholders should note that there is presently no permanent election feature available and the Manager will make an announcement containing the relevant details should it choose to offer this feature to Unitholders in the future.

4.7 Notice of Election to Participate

The Manager will, at its discretion, send to each Unitholder one or more notices of election (in such form as the Manager may approve) (the “**Notice of Election**”). To be effective in respect of any Qualifying Distribution, a Notice of Election must be received by the Unit Registrar, by the date to be specified by the Manager in respect of that Qualifying Distribution. A Unitholder receiving two or more Notices of Election and wishing to receive Units in respect of part or all of his entitlement to the Qualifying Distribution for all Units held by him must complete all the Notices of Election received by him and return the completed Notices of Election to the Unit Registrar, as the case may be. A notice of election to participate in the DRP in any other form will not be accepted by the Unit Registrar.

4.8 Extent of Application of DRP to Each Distribution

The Manager may, in its absolute discretion, in respect of any Distribution, determine whether the DRP shall apply to such Distribution. If, in its absolute discretion, the Manager has not determined that the DRP is to apply to a Distribution, such Distribution shall be paid in cash to Unitholders notwithstanding their elections under the DRP.

4.9 Unit Entitlement

By electing to participate in the DRP in respect of any Notice of Election received by him, a Unitholder elects in respect of any Qualifying Distribution (after the deduction of applicable income tax, if any) to which such Notice of Election relates to receive Units in lieu of the cash amount of the Qualifying Distribution.

In respect of any Qualifying Distribution, the number of Units to be allotted and issued to the Participating Unitholder electing to receive Units in respect of a Notice of Election shall be calculated in accordance with the following formula:

$$N = \frac{U \times D}{V}$$

Where:

- N** is the number of Units to be allotted and issued as fully paid to the Participating Unitholder in respect of such Notice of Election.
- U** is the number of Participating Units held by the Participating Unitholder as at the Books Closure Date for which such Notice of Election relates.
- D** is the Qualifying Distribution (after deduction of applicable income tax, if any) to which such Notice of Election relates.
- V** is the issue price of a Unit, which shall for the purpose of calculating the number of Units to be allotted and issued as fully paid to Participating Unitholders, pursuant to the DRP, be an amount in S\$ determined by the Manager (the “**Relevant Amount**”),

which Relevant Amount shall not be set at more than 10.0% discount to (or such other discount as may be prescribed by the SGX-ST from time to time), nor shall it exceed, the volume-weighted average traded price per Unit for all trades on the SGX-ST for each of the Market Days during the period commencing on the day on which the Units are first quoted ex-distribution on the SGX-ST and ending on the Books Closure Date (“**Price Determination Period**”). In the event that there is no trading in the Units during the Price Determination Period, the Relevant Amount shall not exceed the volume-weighted average traded price per Unit for all trades on the SGX-ST, for each of the Market Days during a period to be determined by the Manager prior to the announcement of the application of the DRP to such Distribution.

Fractional entitlements to the DRP Units will be rounded down to the nearest whole Unit, with the residual balance retained as part of ESR-REIT’s Deposited Property.

4.10 Terms of Allotment

All Units allotted under the DRP will be allotted as fully paid. All such Units shall rank *pari passu* in all respects with all existing Units then in issue save only as regards participation in the Qualifying Distribution which is the subject of the election (including the right to make any election pursuant to the DRP) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the Qualifying Distribution which is the subject of the election, unless the Manager shall otherwise specify.

Participating Unitholders will have the Units credited to their CDP accounts.

4.11 Statement to Participants

The Manager will send to each Participating Unitholder on or about each Distribution Date, which in any event shall be no later than 90 calendar days after the Distribution Calculation Date for the relevant Distribution Period, or such other period as the Manager may decide, a statement detailing, among other things: (a) the number of the Participating Units held by the Participating Unitholder in respect of his Notice of Election; and (b) the number of Units to be allotted to the Participating Unitholder under the DRP.

The Distribution and the statement referred above will accordingly be sent to Participating Unitholders within this period.

4.12 Cost to Participants

Under present law in Singapore, brokerage or other transaction costs and Singapore stamp duty will not be payable by Participating Unitholders on Units allotted under the DRP.

4.13 Cancellation of Application of the DRP

Notwithstanding any provision in these Terms and Conditions, at any time after the Manager has determined that the DRP shall apply to any particular Distribution and before the allotment and issue of Units in respect of the Distribution, the Manager shall consider that by reason of any event or circumstance (whether arising before or after such determination) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement the DRP in respect of the Distribution, the Manager may, at its absolute discretion and as it may deem fit in the interest of ESR-REIT and without assigning any reason therefor, cancel the application

of the DRP to the Distribution. In such event, the Distribution shall be paid in cash to Unitholders in the usual manner.

4.14 Modification and Termination of the DRP

The DRP may be modified or terminated at any time by the Manager as it deems fit on giving notice in writing to all Unitholders, except that no modification shall be made without the prior approval of the SGX-ST.

4.15 Governing Law

This Statement, the DRP and the Terms and Conditions thereof shall be governed by, and construed in accordance with, the laws of Singapore.

5. TAXATION

The CDP, the Trustee and the Manager take no responsibility for the taxation liabilities of Participating Unitholders or the tax consequences of any election made by Unitholders.

As individual circumstances and laws vary considerably, specific taxation advice should be obtained by Unitholders if required.

The CDP, the Trustee and/or the Manager take no responsibility for the correctness or accuracy of any information as to taxation liability set out in this Statement.

Unitholders should note that the Manager will not implement the DRP if there are any adverse implications to ESR-REIT's tax transparency status and that the DRP will be effected in compliance with the Listing Rules of the SGX-ST (unless otherwise waived).

6. INCOME TAX

The Manager will deduct all income tax required to be deducted, if any, from the Qualifying Distributions in accordance with applicable law. Certificates of income tax deductions will be sent to Participating Unitholders in the usual manner.

7. OTHER ITEMS

The Units are offered on the terms and conditions set out in this Statement and in the applicable provisions of the Trust Deed. There are no other terms other than those implied by law or set out in publicly registered documents.