



ARROW PRIMARY INFRASTRUCTURE FUND

DISTRIBUTION REINVESTMENT PLAN

Set out below are frequently asked questions in relation to how the Distribution Reinvestment Plan (the **DRP**) operates. These questions and answers constitute the terms and conditions of the Fund's **DRP**.

The **DRP** provides unitholders with the option of automatically reinvesting part or all of their distributions as additional units in the Arrow Primary Infrastructure Fund ARSN 110 813 851 (the **Fund**).

1 HOW DO I PARTICIPATE IN THE **DRP?**

If you wish to participate in the **DRP** you are required to:

- Complete the **DRP** Instruction Form and forward it
 - by email to arrow@boardroomlimited.com.au
 - or post to: Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001
- Alternatively, rather than having to send in a form, you can elect to participate in the **DRP** via BoardRoom's online portal – www.investorserve.com.au
- **DRP** Instruction Forms are also available on the Fund's website:
<http://www.arrowfunds.com.au/FundForms>
or by telephoning the Registry on +61 1300 737 760.
- A separate **DRP** Instruction Form is required for each registered holding.

2 WHEN CAN I PARTICIPATE?

While the **DRP** is open, you can participate in it at any time. The **DRP** Instruction Form must be received by the Registry no later than 5.00 pm Australian Eastern Time on the Record Date for a distribution in order to participate in the **DRP** for that particular distribution. The Record Date for each distribution payable by the Fund will be announced to the Fund's website in advance.

3 HOW LONG DOES PARTICIPATION IN THE **DRP LAST?**

Participation in the **DRP** will automatically continue until you either notify the Registry that you no longer wish to participate by submitting a **DRP** Instruction Form, or the **DRP** is suspended or withdrawn.

If the **DRP** is suspended, an election as to your participation in the **DRP** will also be suspended and all units are taken not to be **DRP** units for the purpose of any distribution paid while the **DRP** is suspended. Upon reinstatement of the **DRP**, all of your prior elections are reinstated unless a **DRP** Instruction Form is validly submitted by you by 5.00 pm Australian Eastern Time on the Record Date for the next distribution which follows the reinstatement of the **DRP**.

Your right to participate in the **DRP** is not transferable.

4 CAN I REINVEST ONLY PART OF MY DIVIDENDS IN THE **DRP?**

Yes. You can reinvest all or part of your distributions. If you choose to reinvest all of your distributions, the **DRP** will apply to all amounts paid by the Fund as a distribution on all of the units registered to that holding, including any further units issued or transferred to you under the **DRP**. If you choose to reinvest only part of your distribution, you can specify either the number of units, or the percentage of your total units, you wish to be subject to the **DRP** on the **DRP** Instruction Form.

If you specify the number of units, your level of participation is fixed and all units in excess of this number, including any new units you may acquire in the future will not participate in the DRP. If you sell some of your units in the future, such that your total holding becomes less than the number of units you have specified to participate in the DRP, your participation level will automatically be reduced down to the total number of units you hold as at the relevant Record Date. However, if you later acquire more units in the Fund, these will participate in the DRP to the extent indicated in your last DRP Instruction Form.

If you nominate a percentage, your level of participation will automatically change if you acquire or sell units in the future.

You can increase or decrease the number of units you wish to nominate in the DRP or change your participation percentage level at any time (refer to question 13 for details). If you have ceased to hold any units in the Fund by the time of a distribution Record Date, you are deemed to have terminated your participation in the DRP from that Record Date.

If a DRP Instruction Form fails to specify a level of participation, it will be deemed to be an application for full participation in the DRP.

5 CAN ALL UNITHOLDERS PARTICIPATE IN THE DRP?

The DRP is open to all unitholders resident in Australia and New Zealand. Non-resident unitholders may not be eligible to participate in the DRP, due to the differing securities laws of some countries. Before electing to participate in the DRP, unitholders who are not residents of Australia or New Zealand should ascertain whether any restrictions apply. The Responsible Entity may then make a determination (at their sole discretion) as to whether a non-resident unitholder will be eligible to participate in the DRP.

The Responsible Entity may, in their absolute discretion, accept or refuse a DRP Instruction Form without giving reasons for their decision. The Responsible Entity may also determine that a unitholder's DRP Instruction Form is valid even if the DRP Instruction Form is incomplete, contains errors or is otherwise defective. By submitting a DRP Instruction Form, each unitholder is taken to have authorised the Responsible Entity (and their delegates or agents) to correct any error in, or omission from, the unitholder's DRP Instruction Form.

Joint unitholders must submit a single DRP Instruction Form signed by all the joint unitholders. If one, or more, of the joint unitholders is not eligible to participate in the DRP, none of the joint unitholders can apply to participate in the DRP with respect to any of the jointly held units.

6 WHAT ARE THE COSTS INVOLVED IN PARTICIPATING IN THE DRP?

There is no cost associated with participating in the DRP. Unitholders who wish to participate in the DRP do not have to pay brokerage, commission or any other transaction costs on the units issued or transferred to them under the DRP. This allows unitholders to add to their investment in the Fund in a convenient and cost-effective manner.

7 HOW IS THE ACQUISITION PRICE OF THE DRP UNITS DETERMINED?

Under the Fund's Constitution, the price at which units can be issued under the DRP is at the Application Price, determined in accordance with the Constitution, less a discount (if any) as determined by the Responsible Entity. However, the discount should not exceed 10% of the Application Price.

The final acquisition price (after applying the discount, if any) will be rounded down or up to such number of decimal places as the Responsible Entity determines.

The Responsible Entity advises that, until further notice, DRP units will be **issued at a discount of 2.5% to the Application Price, which will equate to the Net Asset Value per unit as at the Record Date.**

8 HOW MANY UNITS WILL I RECEIVE?

The number of units you will receive is calculated as the amount of the distribution you are entitled to receive, divided by the price of the DRP units, rounded down or up to such number of decimal places as the Responsible Entity determines. The current policy is to round up to four decimal places.

9 WHEN WILL I RECEIVE MY DRP UNITS?

Units to be allocated to participating unitholders under the DRP will be issued on the day after the end of the respective Distribution Period.

10 WHERE WILL THE UNITS ALLOCATED TO ME UNDER THE DRP COME FROM?

Subject to the Constitution of the Fund, the Responsible Entity may, in their discretion, issue new units to you, or make relevant arrangements to cause units to be transferred to you.

11 HOW DO I FIND OUT HOW MANY UNITS I HAVE RECEIVED FROM THE DRP?

Distribution advices for the reinvestment of the distributions will be either emailed or posted to unitholders following the payment of the relevant distribution and allocation of units under the DRP (to participating unitholders).

The advice will include details of the number of your units that are participating in the DRP, the amount of cash distribution you have reinvested, the acquisition price per unit and the number of units issued or transferred to you under the DRP for that particular distribution.

The number of units allocated and your new unitholding balance will be shown on the statement you will receive in the month following each re-investment.

12 WHAT ARE THE TAXATION IMPLICATIONS OF PARTICIPATING IN THE DRP?

Distributions reinvested to purchase units under the DRP are assessable for income tax purposes as if they had been received in cash. You will receive an annual tax statement, which will include details of the income you have earned on your units during the year (received either in cash or reinvested in new units under the DRP) enabling you to complete your tax return.

Unitholders who have not supplied their tax file number will have withholding tax deducted from distributions before being reinvested under the DRP. Unitholders resident outside Australia who the Responsible Entity permits to participate in the DRP (see question 5) will have withholding tax deducted from their distributions prior to them being reinvested under the DRP.

The taxation information given above is a general guide only. Unitholders should consult their own taxation adviser if uncertain of their tax position.

13 HOW DO I VARY THE LEVEL OF PARTICIPATION OR WITHDRAW FROM THE DRP?

Participating unitholders may vary the level of participation or withdraw from the DRP at any time by submitting a revised DRP Instruction Form in accordance with the method set out in question 1.

Any variation to participation will take effect from the next distribution, provided that notification is received by no later than 5.00 pm Australian Eastern Time on the Record Date for that distribution.

Notices received after this date will take effect from the following Distribution Period.

If you choose to withdraw from the DRP, your distributions will be paid by direct credit to your bank account, according to payment instructions given prior to your participation in the DRP.

14 ARE THE DRP UNITS THE SAME AS MY EXISTING UNITS?

Yes. All units issued to you under the DRP will, from the date of issue or transfer, rank equally in all respects with the existing fully paid units on issue and will participate in all distributions declared subsequently.

15 CAN THE TERMS AND CONDITIONS OF THE DRP CHANGE?

Yes. The Responsible Entity may, at their sole discretion, modify, suspend or terminate the DRP at any time, including by increasing or decreasing the level of discount used in the calculation of the DRP acquisition price (see question 7). The modification, suspension or termination shall take effect from the date specified by the Responsible Entity and sufficient written notice shall be given to all unitholders prior to the changes occurring to allow unitholders to withdraw or otherwise change their level of participation in the DRP before the changes come into effect.

The Responsible Entity will administer the DRP in their sole discretion in accordance with these rules and the Constitution. This includes the Responsible Entity's power to determine, set and oversee procedures for the administration of the DRP and settle any difficulties, anomalies or disputes which may arise in connection with the DRP.

16 WHAT OTHER IMPORTANT LEGAL INFORMATION SHOULD I CONSIDER BEFORE DECIDING WHETHER TO PARTICIPATE IN THE DRP?

You should be aware that by applying to participate in the DRP in accordance with these rules, you:

- warrant to the Responsible Entity that you are eligible to participate in the DRP;
- warrant to the Responsible Entity that if you are a joint holder of units, all other joint unitholders in relation to the same holding are eligible to participate in the DRP;
- unconditionally agree to these rules of the DRP and agree not to do any act that would be contrary to the spirit, intention or purpose of the DRP;
- acknowledge that the Responsible Entity may at any time, by giving written notice to eligible unitholders, limit participation in the DRP. This may include a determination that there will be a maximum or minimum number of units permitted per participant, whether this is in respect of a particular distribution or distributions generally;
- acknowledge that none of the Responsible Entity, its officers, employees, representatives or agents, or the Registry have provided you with any recommendation or investment, financial or other advice and that none of the above persons have any obligation to provide any advice concerning your decision to apply to participate in the DRP; and
- acknowledge that any variation, suspension, recommencement or termination of the DRP will not give rise to any liability on the part of, or right of action against the Responsible Entity nor its officers, employees, representatives or agents.

DEFINITIONS

Application Price: has the meaning given to that term under the Constitution.

Business Day: is any day after the Saturday, Sunday or Public holiday in Melbourne.

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

Distribution Period: has the meaning given to that term under the Constitution.

DRP: means the Fund's distribution reinvestment plan constituted by these rules, as varied from time to time.

DRP Instruction Form: means the instruction form to be completed by eligible unitholders to give notice of their election to participate in, or to amend their level of participation in, the DRP.

Record Date: means 5.00 pm Australian Eastern Time on the date the Fund closes its unit register for determining entitlements to a distribution.

Registry: means Boardroom (Victoria) Pty Limited ACN 110 851 333.

Responsible Entity: means Arrow Funds Management Limited ACN 146 671 276