

FINAL

Date: 30 March 2017

ETF distribution reinvestment plan

Russell Investments Australian Semi-
Government Bond ETF

Effective: 30 March 2017

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Agreed terms

1. Definitions

When used in these terms and conditions the words listed will, unless the contrary intention appears, have the following meanings:

Allocation means the issue of new Units to Participants under the Plan or the transfer of Units to Participants under the Plan.

Application means the application to participate, vary participation or terminate participation in the Plan in respect of a particular holding account, in the form that Russell Investments approves from time to time.

ASX means Australian Securities Exchange Limited (ACN 008 624 691) or a securities market which it operates, as the context requires.

ASX Operating Rules means the rules that regulate how trading may take place on the ASX and any other rules of the ASX which are applicable while the Fund is quoted, except to the extent of any express written waiver by the ASX.

Constitution means the trust deed for the Fund, as amended from time to time.

Corporations Act means the Corporations Act 2001 (Cth)

Distribution means amounts to be distributed to Investors pursuant to the Constitution whether income or capital.

Distribution Period means a period for which distributions of the Fund are determined in accordance with the Constitution.

Eligible Investor means a person registered as the holder of Units having a registered address in Australia or New Zealand.

Ex-Distribution Date means the first day on which Units trade on the ASX without an entitlement to the relevant Distribution.

Fund means the Russell Investments Australian Semi-Government Bond ETF ARSN 154 588 048 and/or such other funds determined by Russell Investments.

Holding means a holding of Units recorded in the Register.

Investor means a person holding Units.

Participant means an Eligible Investor whose Application to participate in the Plan has been accepted by Russell Investments.

Participating Funds means the Funds in respect of which Distributions are reinvested in accordance with the Plan as determined by Russell Investments.

PDS means a product disclosure statement in respect of the Fund (if applicable).

Plan means the Russell Investments ETF distribution reinvestment plan, the terms and conditions of which are set out in these Rules, as varied from time to time.

Plan Units means the Units in a particular holding account which are designated by a Participant as Units for which the Distribution is to be applied in subscribing for Units under the Plan.

Plan Account means an account established pursuant to these Rules of a Fund Investor participating in the Plan in respect of a Participating Fund.

Quoted means authorised by the ASX to be traded on the ASX and 'Quotation' has a corresponding meaning.

Record Date means the date in relation to a Distribution by which an Investor must hold Units in order to be entitled to that Distribution.

Register means the official recording of the names of the Fund investors and the number of Units held by each Investor.

Registrar means Computershare Investor Services Pty Limited.

Rules means the terms and conditions of the Plan, as amended from time to time.

Russell Investments means Russell Investment Management Ltd (ABN 53 068 338 974) as responsible entity of the Fund.

Units means a unit in the Fund of a class that Russell Investments has determined that the Plan applies to.

2. Terms and conditions

- (a) Participation in the Plan is subject to these terms and conditions.
- (b) Participants and all persons claiming through any of them are bound by the Rules of the Plan as modified from time to time.
- (c) Russell Investments has the discretion whether to allow the reinvestment of Distributions and may terminate, modify, repeal, replace or suspend the Plan at any time.

3. Constitution and PDS

Notwithstanding any other provision of the Plan, this Plan must be administered in accordance with the Constitution and the PDS (if applicable).

4. ASX Operating Rules

While any Units in the Fund are Quoted, the following provisions apply in respect of such Units:

- (a) despite anything contained in the Rules, if the ASX Operating Rules prohibit an act being done, the act will not be done;
- (b) nothing contained in the Rules prevents an act being done that the ASX Operating Rules require to be done;
- (c) if the ASX Operating Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (d) if the ASX Operating Rules require the Rules to contain a provision and it does not contain such a provision, the Rules are taken to contain that provision;
- (e) if the ASX Operating Rules require the Rules not to contain a provision and it contains the provision, the Rules are taken not to contain that provision; and
- (f) if any provision of the Rules are or becomes inconsistent with the ASX Operating Rules, the Rules are taken not to contain that provision to the extent of inconsistency.

5. Statutory requirements

If the Corporations Act or any relief from the provisions of the Corporations Act granted by the ASIC requires that these Rules contain certain provisions whether as an absolute requirement or in order to gain the benefit of a concession, exemption or the relief, then those provisions are deemed to be incorporated into these Rules at all times at which they are required to be included and prevail over any other provisions of these Rules to the extent of any inconsistency.

6. Eligibility to participation in the Plan

- (a) Any Eligible Investor may participate in the Plan.
- (b) Participation in the Plan is optional and is not transferable.

7. Application to participate

7.1 Applications

An Investor may apply to participate in the Plan either in writing or by election through Russell Investments' appointed Registrar in such form and manner as determined by Russell Investments.

7.2 Joint Investors

If the Units are jointly held by two or more Eligible Investors, all joint investors of such Fund must make a single election to participate in the Plan for it to be valid. If one or more of the joint investors of the Fund is not an Eligible Investor, none of the joint investors can apply to participate in the Plan with respect to the Unit jointly held. Each joint investor must sign the election form.

7.3 Multiple holdings

Where an Investor has more than one allocated holding on the Register, the Investor will have to make a separate election for each holding.

7.4 Effective date

To be effective for a forthcoming Distribution the Application must be received by the Registrar by 5.00pm on the Record Date of the Distribution

7.5 Acceptance of Applications

Russell Investments may in its absolute discretion accept or refuse any Application.

8. Degree of participation

8.1 Full or partial participation

Participation in the Plan may be in full or in part. An Investor must specify in the Application the extent of participation requested.

8.2 Full participation

In the case of full participation, all Units held by the Investor, from time to time, however acquired (including Units issued under the Plan) will be subject to the Plan.

8.3 Partial participation

In the case of partial participation, only the number of Units specified by the Participant in the Application or in any subsequent written notice, together with bonus Units and any other Units issued in relation to the Plan Units, will be subject to the Plan.

8.4 No indication of participation

If no election to participate is specified, participation will be deemed to be nil.

8.5 Discrepancies

Where the number of Units registered in the name of the Investor on the Record Date for a Distribution Period is less than the number of Units specified by the Investor, all those Units registered in the name of the Investor will be subject to the Plan.

9. Operation of the Plan**9.1 Plan Accounts**

Russell Investments will establish and maintain a Plan Account for each Participant.

9.2 Issue price and issue of Units

- (a) Units issued under the Plan will be issued at an issue price calculated in accordance with the Constitution on the Ex-Distribution Date. Fractions of Units issued under the Plan following the entitlements calculations will be rounded down and the residual cash balance carried forward to the next period.
- (b) Distributions on Plan Units will be applied by Russell Investments on the Participant's behalf in subscribing for or acquiring Units. Any amount that Russell Investments is owed, is entitled to withhold or retain, in relation to the Distribution whether under the Constitution or otherwise, will not be available for subscribing for Units under the Plan.

9.3 Authorisation to Russell Investments

A Plan Participant shall be deemed to have directed Russell Investments to:

- (a) determine the amount of the relevant Distribution entitlement of each Participant in respect of the Participating Units and credit the amount of the Participant's Plan Account;
- (b) determine and deduct from the Participant's Plan Account any Australian tax applicable or required to be withheld in respect of any Distribution to the Participant;
- (c) determine the maximum whole number of Units which could be acquired at the issue price by applying the credit balance amount of the Participant's Plan Account;
- (d) on behalf of the Participant, subscribe for that number of additional Units determined under paragraph 9.3(c) and debit the Participant's Plan Account with the aggregate issue price of the Units subscribed for;
- (e) issue to the Participant that number of Units determined under rule 9.2 and the Constitution; and
- (f) retain in the Participant's Plan Account any credit balance remaining after the issue of Units to the Participant under paragraph 9.2 and such amount will be aggregated with any further Distribution credited to the Participant's Plan Account.

9.4 Plan Account where participation ceases

Where a Participant ceases to participate in the Plan for any reason or where the Plan is terminated, then Russell Investments must pay to the Participant (at a time and in a manner determined by Russell Investments) any credit balance in the Participant's Plan Account arising under rule 9.3(f).

9.5 Administration of the Plan

This Plan will be administered by Russell Investments which has the power to:

- (a) determine procedures for administration of the Plan consistent with these Rules;

- (b) settle in such manner as it thinks expedient any difficulties, anomalies or disputes which may arise in connection with the operation of the Plan, whether generally or in relation to any Participant or any Units, and the determination of Russell Investments is conclusive and binding on all Participants and other persons to whom the determination relates; and
- (c) delegate to any one or more persons, including its Registrar, for such period and on such conditions as it may determine, the exercise of any of their powers or discretions arising under the Plan.

10. Unit allocation under the Plan

10.1 Rights attached to Units

Subject to the Constitution, Units issued under the Plan will be credited as fully paid and rank equally in all respects with existing Units as from the date of issue.

10.2 Register

Units issued to a Participant under the Plan will be registered on the Register on which the Investor's holding is currently registered.

10.3 Time of issue

Units to be allotted under the Plan will be issued within the time required by the ASX Operating Rules. Application will be made by Russell Investments promptly after allotment of Units issued under the Plan for such Units to be listed for quotation on the ASX, if applicable.

11. Transaction costs

11.1 Costs to Participants

To the extent permitted by law, Russell Investments will pay brokerage, commission or other transactions costs in respect of Units allotted under the Plan including any stamp or other duties payable by the Participant in respect of the Units allocated under the Plan.

11.2 Change in law

In the event of a change in the existing legislation so that at the date of any issue, stamp duty or other tax is payable in respect of the issue, the amount of such stamp duty or other tax shall be paid by the Participant to whom the Units under the Plan are issued and will be debited to the Participant's Plan Account.

12. Plan statement

The Registrar will send to each Participant a Distribution statement following the Allocation of Units under the Plan setting out the following information:

- (a) the Distribution payable in respect of that Participant's Plan which has been applied towards the acquisition of Units;
- (b) the number of additional Units allocated to that Participant under the Plan; and
- (c) the price at which the Units were issued.

13. Variation or termination of participation

13.1 By Participants

A Participant may at any time terminate participation in the Plan, by lodging a notice either in writing or by election through Russell Investments' appointed Registrar. To be effective for a

forthcoming Distribution the termination notice must be received by the Registrar by 5.00pm on the Record Date of the Distribution

13.2 By sale of Plan Units

If a Participant disposes of all its Plan Units, it will be deemed to have terminated participation in the Plan on the last date on which the Registrar registered the disposal of the Units.

13.3 Death, bankruptcy, etc

If a Participant dies, participation in the Plan terminates upon receipt by Russell Investments of written notice of the death. If a Participant is declared bankrupt or is wound-up, participation in the Plan terminates upon receipt by Russell Investments of a notification of bankruptcy or winding-up from the Participant or the Participant's trustee in bankruptcy, or liquidator, as the case may be. The death, bankruptcy or winding-up of one or more joint holders does not automatically terminate participation provided the remaining holder or all remaining joint holders are Eligible Investors.

13.4 Residual balances

If the Plan is suspended or terminated, the amount of any residual balance held on the Participant's behalf by Russell Investments will be paid to the Participant as a cash Distribution when the next cash Distribution is due to be paid.

14. Modification, suspension or termination of the Plan by Russell Investments

14.1 Russell Investments' notice

Russell Investments may, by giving notice to Investors, at any time and for any period, modify, repeal, replace, suspend and/or terminate the Plan.

14.2 Omission to give notice

The accidental omission to give to an Investor a notice of modification, variation, amendment, suspension or termination of the Plan, or non-receipt of such a notice by an Investor, shall not invalidate the modification, amendment, variation, suspension or termination of the Plan.

14.3 Liability

The modification, amendment, variation, suspension, recommencement or termination does not give rise to any liability on the part of, or right of action against, Russell Investments or any of its officers, employees or agents.

14.4 Variation of Plan

If the Plan or these rules are varied, a Participant continues to participate under the Plan and these rules in their varied form unless the Participant terminates its participation in the Plan in accordance with these rules.

14.5 Suspension of Plan

If the Plan is suspended and is later recommenced, then upon recommencement all prior elections are reinstated subject to any variation or termination validly given by a Participant prior to the next Ex-Distribution Date after the recommencement of the Plan.

14.6 Residual balances

If the Plan is suspended or terminated, the amount of any residual balance held on the Participant's behalf by Russell Investments will be paid to the Participant as a cash Distribution when the next cash Distribution is due to be paid.

15. Taxation

Russell Investments does not make any representation or warranty in respect of, or accept any responsibility for, the liability of Participants to the payment of income tax in respect of any issue of Units payment or other transaction pursuant to the Plan.

16. Severability

If any provision of the Plan is illegal or invalid because it offends any applicable law:

- (a) if the offending provision can be read down so as to give it a partially valid operation, it must be read down to the extent necessary to achieve that result; and
- (b) in any other case, the offending provision must be severed in which event the remaining provisions will operate as if the severed provision had not been included.

17. Governing Law

The Plan will be governed by the laws of the State of New South Wales.