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THE SAMPLE HILL
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SAMPLEVILLE VIC 3030

SRN/HIN: SRN WITHHELD

Dear Shareholder,

Duxton Water Limited's Maiden Partially Franked Dividend and Dividend Reinvestment Plan

As previously announced on 15 September 2017, the Board of Duxton Water Limited ("Duxton" or the "Company") has decided to implement the Company's Dividend Reinvestment Plan ("DRP") for the maiden dividend. The details are as follows:

Maiden dividend:	2.3 cents per share
Franking:	75% franked
Record Date:	2 November 2017
Payment Date:	16 November 2017
DRP Discount:	3% (to the 5 day VWAP immediately preceding the record date)
DRP Pricing Period:	26 October to 1 November 2017
DRP Applications Due:	3 November 2017

Please ensure your details are updated by 2 November 2017, the record date for the dividend, otherwise they will not take effect for the maiden payment.

To participate in the DRP for the maiden dividend, DRP Notice of Election forms must be received by the Company's registry, Computershare Investor Services, by 5.00pm (AEST) on 3 November 2017. Notice of Election forms received after this time will only be effective for subsequent dividends to which the DRP may apply.

Shareholders who wish to participate in the DRP for the maiden dividend, view the full terms and conditions of the DRP Rules, update your banking details or record your Tax File Number details are advised to visit the Company's registry website www.computershare.com.au/easyupdate/d2o.

Please note: If you are an Australian resident or subject to Australia's taxation laws, please ensure your TFN is recorded so that withholding tax is not deducted at the full marginal rate from the unfranked portion of your dividend. The maiden dividend payment is 75% franked.

To access the secure Easy Update website, enter your SRN/HIN located at the top of this letter. For security reasons please keep this information confidential. If you do not have internet access, please call Computershare on 1300 556 161 (inside Australia) or +61 3 9415 4000 (outside Australia) and follow the voice instructions to provide your security holder information over the phone or receive any necessary forms to your registered address.

The DRP is available to all Duxton shareholders with a registered address in Australia and New Zealand, but not to shareholders with a registered address in any other country. The DRP application price will be announced to the ASX at the end of the pricing period. The Company intends to satisfy DRP requirements for this maiden dividend by issuing new ordinary shares.

Impact of DRP Participation on the Duxton Vineyards Transaction

A general meeting of shareholders is to be held on 18 October 2017 for the purpose of approving resolutions relating to the Company issuing shares to, and purchasing of water entitlements from, Duxton Vineyards Pty Ltd ("Duxton Vineyards"), details of which are set out in the Notice of Meeting dated 8 September 2017 (referred to as the Duxton Vineyards Transaction).

Duxton Vineyards (and Duxton Vineyards Water Pty Ltd) have agreed to fully participate in the DRP, which will result in Duxton Vineyards increasing its shareholding and relevant interest in the Company. However the number of DRP shares to be issued to Duxton Vineyards will not be known until after the pricing period finishes on 1 November 2017. Therefore the combined effect of the increase in Duxton Vineyard's shareholding and relevant interest in the Company as a result of the Company issuing shares for the Duxton Vineyards Transaction (if approved) and the DRP participation cannot be ascertained until after the DRP has been completed.

To assist shareholders in understanding the likely combined effect of the Duxton Vineyards Transaction and Duxton Vineyards participating in the DRP, the Company provides the following range of shareholding outcomes (based on an indicative VWAP range from \$1.00 to \$1.08 for DRP entitlement purposes and assuming \$1.04 for the post Duxton Vineyards Transaction example). This assumes no other shareholders participate in the DRP.

Duxton Vineyards Shareholding	Pre Transaction	Post DRP (based on 5 Day VWAP x 97%)					Post Duxton Vineyards Transaction	
		\$1.00	\$1.02	\$1.04	\$1.06	\$1.08	Post Transaction*	Increase
Duxton Vineyards Shareholding in D2O	3,365,561	3,445,363	3,443,798	3,442,294	3,440,846	3,439,452	10,052,294	6,610,000
% of D2O	5.26%	5.34%	5.33%	5.33%	5.33%	5.33%	14.13%	8.80%
Duxton Vineyards Water Shareholding in D2O	22,691,119	23,229,155	23,218,605	23,208,461	23,198,700	23,189,300	23,208,461	0
% of D2O	35.47%	35.98%	35.96%	35.95%	35.94%	35.93%	32.62%	-3.32%
DV Group Shareholding in D2O	26,056,680	26,674,518	26,662,403	26,650,755	26,639,546	26,628,752	33,260,755	6,610,000
Total DV Group % of D2O	40.74%	41.32%	41.30%	41.28%	41.27%	41.26%	46.74%	5.47%

* calculated using 5 Day VWAP of \$1.04/Share

Using the above example, the maximum increase in Duxton Vineyard's relevant interest as a result of DRP participation is 617,839 shares or 0.58% (being at \$1.00 per share for the DRP pricing entitlement).

Duxton Vineyards participation in the DRP and its resulting increase in its shareholding and relevant interest does not require shareholder approval.

Correction to Notice of Meeting

Shareholders are advised that there is an error on page number 20 of the Notice of Meeting, which outlines the basis for the fairness conclusion of the Independent Expert regarding the Duxton Vineyards Transaction (being in the second paragraph on page 20). The basis for that conclusion is not correct, as those reasons are not contained in the Independent Expert's Report (IER). Shareholders should disregard this aspect of the Notice of Meeting.

The correct basis for the fairness conclusion are set out in the IER (at page number 3 of the IER) which are:

- The value of the water entitlements being acquired by the Company are greater than the value of the proposed consideration (being the shares being issued by the Company).
- The value of the equity in the Company post the Duxton Vineyards Transaction is greater than the value range of a share in the Company before the transaction.
- The terms of the proposed leases are on commercial terms.

The IER is included in the Notice of Meeting and is also available on the Company's website.

This error does not affect the opinion of the Independent Expert as stated in the IER that the Duxton Vineyards Transaction is fair and reasonable to the non-associated shareholders of the Company or otherwise effect the Notice of Meeting.

Yours sincerely



Donald Stephens
Company Secretary
12 October 2017



Dividend Reinvestment Plan Rules

Duxton Water Limited - Dividend Reinvestment Plan

Shareholders have the ability to reinvest all or part of a Dividend payable on their Shares, by applying for additional Shares in the Company instead of receiving the Dividend in cash. Participation in the Dividend Reinvestment Plan (“**DRP**”) is entirely optional.

To participate in the **DRP**, you have the ability to elect to participate either your full Dividend, or for part of your Dividend (subject to any limits set by the Company). Participation in the **DRP** is free of charge and can be varied and cancelled by notifying the Company at any time.

If you would like to participate in the **DRP** it is important that you carefully read these **DRP** Rules before making your decision. Any questions regarding whether you should participate in the **DRP** should be directed to an independent professional advisor.

If you do not elect to participate in the **DRP**, as a Shareholder you will receive any Dividend in cash.

The **DRP** is administered by the Company in accordance with these **DRP** Rules.

The Company’s quoted options do not have any entitlement to a Dividend. Accordingly all option holders are not eligible to participate in the **DRP**.

Participation in the **DRP**

To participate, a Shareholder should submit a **DRP** Notice of Election Form online at www.computershare.com.au/easyupdate/d2o. Shareholders will be taken to have signed the Notice of Election Form if lodged online in accordance with the instructions on the website. Alternatively, a Shareholder can request a Notice of Election form by contacting the Company’s Share Registry (details at the back of this booklet) and completing and returning it to the Company’s Share Registry.

A Shareholder may nominate some or all of their Shareholding for participation in the **DRP**. To participate for a Dividend (or vary or withdraw such participation), the Company must be notified by the Election Date announced to ASX by the Company in respect of that Dividend. The **DRP** election, variation or cancellation will continue to apply for all subsequent Dividends until varied again.

To vary participation, including withdrawal from the **DRP**, please do so online at www.computershare.com/easyupdate/d2o. Shareholders will be taken to have signed the Notice of Variation if lodged online in accordance with the instructions on the website. Alternatively, Participants can contact the Company’s Share Registry (detailed at the back of this booklet), and request a Notice of Election Form or Notice of Variation Form to be sent and the forward the relevant form to the Company’s Share Registry. Unfortunately, no action will be recognised unless the Share Registry has received a properly completed and executed Notice of Election Form or Notice of Variation Form.

1. Definitions and Interpretation

1.1 Definitions

In these Rules, unless the context otherwise requires:

ASX means ASX Limited or the market it operates known as the Australian Securities Exchange as applicable.

Board means the board of directors of the Company.

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

Company means Duxton Water Limited ABN 53 611 976 517.

Constitution means the constitution of the Company from time to time.

Discount means the percentage discount (if any) determined by the Board from time to time to be applied in calculating the Price per share under Rule 7.4.

Dividend means any cash dividend per Share announced and payable by the Company.

Dividend Payment Date means the date notified by the Company to ASX for the payment of a Dividend.

DRP means the Dividend Reinvestment Plan established under these Rules as varied from time to time.

DRP Account means the account established by the Company under Rule 8.1.

DRP Price Date means the date determined by the Board for the calculation of the Price for Shares to be issued under the DRP in respect of an applicable Dividend.

Election Date means the date that is one business day after the record date or such other date determined by the Board in relation to a Dividend as being the date by which a duly completed Notice of Election must be received under these Rules in order for an Eligible Shareholder to be able to participate in the DRP for that Dividend.

Eligible Shareholder has the meaning given in Rule 2.

Holding means a registered holding of Shares in respect of a Shareholder.

Listing Rules means the listing rules of the ASX.

Maximum Participating Holding means the number of Shares (if any) determined by the Board from time to time under Rule 6.2.

Minimum Participating Holding means the number of Shares (if any) determined by the Board from time to time under Rule 6.1.

Notice of Election means an application to participate in the DRP in respect of a particular Holding of Shares in the form approved by or acceptable to the Board from time to time, including in electronic form or in writing.

Notice of Variation means a notice to increase or decrease the number of a Participant's Plan Shares, or to terminate participation in the DRP, in the form approved by or acceptable to the Board from time to time, including in electronic form or in writing.

Participant means a Shareholder who is participating in the DRP for some or all of its Shares.

Participating Shares means the Shares that an Eligible Shareholder can validly elect for participation in the DRP.

Plan Shares means the Shares that a Participant has validly elected for participation in the DRP or which are otherwise taken under these Rules to participate in the DRP.

Price means the price at which Shares will be issued or acquired under the DRP as calculated in accordance with Rule 7.

Record Date means the date notified by the Company to ASX for the purpose of identifying the Shareholders who are entitled to receive a particular Dividend.

Related Parties has the meaning given in the Corporations Act 2001 (Cth).

Rules means the rules of the DRP as varied from time to time.

Share Registry means a share registry engaged or retained by the Company to provide share registry services to the Company.

Shares means fully paid ordinary shares in the capital of the Company.

Shareholder means a registered holder of Shares.

VWAP means has the meaning given in the ASX Listing Rules.

1.2 Interpretation

Unless the contrary intention appears, in the Rules:

- 1.2.1 words importing the singular include the plural and vice versa;
- 1.2.2 words importing a gender include any gender;
- 1.2.3 the word “person” includes an incorporated body, partnership or other association of persons;
- 1.2.4 a reference to any time is Adelaide, South Australian time;
- 1.2.5 any reference in these Rules to any enactment, part of an enactment or the ASX Listing Rules includes a reference to that enactment, part of enactment or those ASX Listing Rules as from time to time amended, consolidated, re-enacted, replaced or as affected by instrument or waiver, exemption or modification and, in the case of an enactment, all regulations and statutory instruments issued under it; and
- 1.2.6 any reference to a body is a reference to any body that may replace it or that succeeds to its powers or functions.

2. Eligibility to participate in the DRP

- 2.1 Participation in the DRP is subject to these Rules, the ASX Listing Rules, the Constitution and all applicable law.
- 2.2 Participation in the DRP:
 - 2.2.1 is open to each Eligible Shareholder;
 - 2.2.2 is optional and voluntary;
 - 2.2.3 is not transferable; and
 - 2.2.4 may be varied or terminated at any time in accordance with Rule 15.
- 2.3 A Shareholder is an Eligible Shareholder unless they are excluded under this Rule 2.
- 2.4 The Board may in its absolute discretion determine that the right to participate in the DRP is not available to a Shareholder having a registered address or being resident in a country or place where, in the absence of a prospectus, disclosure document, registration statement or other prerequisite, the offer of a right of participation would or might be unlawful or where participation would or might be unlawful.
- 2.5 If, in the reasonable opinion of the Board, the issue of Shares under the DRP to, or the acquisition of Shares under the DRP by, a Participant or the holding of those Shares by a Participant may breach a provision of the Constitution, be contrary to the law of any country, may prejudice the effective operation of the DRP or is otherwise in the opinion of the Board undesirable or impractical, the Board may do any of the following:
 - 2.5.1 Decline to issue or transfer those Shares.
 - 2.5.2 Reduce the issue or transfer of those Shares on a proportionate basis.
 - 2.5.3 Reduce or suspend the participation of that Participant in the DRP.
- 2.6 The Board has the discretion (acting reasonably) to refuse to accept any person's Shares for participation or continued participation in the DRP and to suspend or withdraw any person's Shares from participation if the Board, including if it considers that the participation of those Shares might lead to:
 - 2.6.1 Foreign persons or associates of foreign persons acquiring a substantial interest or an aggregate substantial interest in the Company for the purposes of the *Foreign Acquisitions and Takeovers Act 1975* (Cth).
 - 2.6.2 Any breach of any law of Australia, the ASX Listing Rules or the Constitution, or otherwise prejudice the effective operation of the DRP.

3. Multiple Shareholdings, Custodians and Nominees

- 3.1 This Rule 3 applies if an Eligible Shareholder has more than one Holding of Shares or holds Shares jointly or on behalf of one or more beneficial owners.
- 3.2 Each Holding, or the parcel of Shares held on behalf of a beneficial owner, will be treated as separate for the purposes of the DRP, such that a separate appropriately completed Notice of Election must be lodged with respect to each separate Holding, or parcel held on behalf of a beneficial owner, that is to participate.
- 3.3 These Rules will apply as if each such Holding, or parcel held on behalf of a beneficial owner, were held by a separate Shareholder, unless the Board determines otherwise.
- 3.4 If Shares are jointly held by 2 or more Eligible Shareholders, all joint Holders of such Shares must sign a single Notice of Election for it to be valid. If one or more of the joint Holders of the Shares is not an Eligible Shareholder, then none of the joint Holders can apply to participate in the DRP with respect to the Shares jointly held unless the Board determines otherwise.

4. Application to participate

- 4.1 Application to participate in the DRP must be made by a Notice of Election.
- 4.2 Subject to this Rule 4, to participate in the DRP for a particular Dividend, a duly completed Notice of Election must be received by the Company or its Share Registry by 5:00pm on the Election Date for that Dividend. If a duly completed Notice of Election is received after the Election Date for that Dividend (but before the Election Date for the next Dividend), participation will commence for the next Dividend.
- 4.3 Once an Eligible Shareholder has commenced to participate in the DRP under Rule 4.2, the Notice of Election from that Shareholder will apply for all subsequent Dividends until the Company receives a Notice of Variation under Rule 15 or the Company terminates the DRP.
- 4.4 If a Participant ceases to be an Eligible Shareholder then recommences to be an Eligible Shareholder, their participation will be reinstated on the same terms unless varied by the Participant.
- 4.5 By applying to participate in the DRP, an Eligible Shareholder acknowledges and agrees that:
 - 4.5.1 The Company may determine that the Eligible Shareholder's Notice of Election is valid even if the Notice of Election is incomplete, contains errors or is otherwise defective, and that the Company (and its officers or agents) is authorised to correct any error in, or omission from, any Notice of Election that it submits, including for Rules 5.4 to 5.6.
 - 4.5.2 Neither the Board nor the Company has provided any investment advice or financial product advice and neither has any obligation to provide such advice concerning the Eligible Shareholder's decision to apply to participate in the DRP.

- 4.5.3 The Company may reject any Notice of Election for the reasons set out in these Rules.
- 4.5.4 The Company may arrange for the DRP to be fully or partially underwritten in respect of any one or more Dividends.
- 4.5.5 By applying to participate in the DRP, the Shareholder:
 - 4.5.5.1 Warrants to the Company that it is an Eligible Shareholder.
 - 4.5.5.2 Consents to the establishment of a DRP Account on its behalf if required by the Company.
 - 4.5.5.3 Consents to any residual positive balance remaining in its DRP Account rather than being paid in cash.
 - 4.5.5.4 Unconditionally agrees to the Rules and agrees not to do any act or thing that would be contrary to the spirit, intention or purpose of the DRP.

5. Degree of participation

- 5.1 Participation in the DRP may be either in full or partial. Subject to Rule 5.4, an Eligible Shareholder must specify in the Notice of Election the extent to which the Eligible Shareholder wishes to participate in the DRP.
- 5.2 Under full participation, all Shares registered from time to time in the Participant's name, including Shares issued pursuant to the DRP, will be subject to the DRP.
- 5.3 Under partial participation, only that number of Shares as specified in the Notice of Election by the Participant will be subject to the DRP (subject to the Minimum Participating Holding or the Maximum Participating Holding, if any). However, if at the relevant Record Date the number of Shares held by the Participant is less than the number of Shares specified in the Notice of Election, then the provisions of the DRP in respect of that Dividend payment will apply to the number of Shares held. Where an Eligible Shareholder is a partial Participant, all Shares subsequently acquired by the Eligible Shareholder, whether under the DRP or otherwise, will only participate in the DRP to the extent that the Eligible Shareholder alters the participation level in accordance with Rule 15.
- 5.4 If a Notice of Election does not clearly indicate the level of participation in the DRP, it will be deemed to be an application for full participation unless the Board otherwise determines.
- 5.5 If a Notice of Election purports to nominate a Holding for both full participation and partial participation at the same time, it will be deemed to be an application for full participation unless the Board otherwise determines.
- 5.6 If a Notice of Election purports to specify a number of Shares higher than the Eligible Shareholder's Holding, it will be deemed to be an application for full participation unless the Board otherwise determines, provided that the level of participation cannot be for more than the full amount of the Eligible Shareholder's Holding or any Maximum Participating Holding.

6. Minimum Participating Holding and Maximum Participating Holding

- 6.1 The Board may determine a minimum permitted number of Participating Shares per Participant (whether in respect of a particular Dividend or Dividends generally) from time to time by announcement to ASX. If no such determination is announced to ASX, the Minimum Participating Holding is one thousand (1,000) Shares for a Participant.
- 6.2 The Board may determine a maximum permitted number of Participating Shares per Participant (whether in respect of a particular Dividend or Dividends generally) from time to time by announcement to ASX. If no such determination is announced to ASX, the Maximum Participating Holding is the total Holding of each Participant.
- 6.3 If a Notice of Election has nominated a number of Shares that is below a minimum determined in accordance with Rule 6.1, the Participant's participation is deemed to be zero. If the minimum is changed or removed by the Board, the Participant's participation will change to become either zero (if the minimum is higher than the elected participation amount) or the election amount, whichever is highest (out of the minimum and election amount).
- 6.4 If a Notice of Election has nominated a number of Shares that is above a maximum determined in accordance with Rule 6.2, the Participant's participation is deemed to be the maximum. If the maximum is changed or removed by the Board, the Participant's participation will change to become the new maximum or the election amount, whichever is lowest.

7. Operation of the DRP

- 7.1 Each Dividend which is payable to a Participant in respect of Plan Shares and which is available for payment to the Participant will be applied by the Company on the Participant's behalf in acquiring or subscribing for additional Shares.
- 7.2 The Board in its absolute discretion will determine with respect to the operation of the DRP for any Dividend whether to issue new Shares or to cause the transfer of Shares to a Participant, or to apply a combination of both options, to satisfy the obligations of the Company under these Rules.
- 7.3 If the Board determines to cause the transfer of Shares to Participants, the Shares may be acquired in the market in such a manner as the Board considers appropriate.
- 7.4 The Shares will be issued or transferred under the DRP at the price per Share which will be the equivalent of the VWAP for the Shares for the five Business Days (or such other number of Business Days as determined by the Board) up to and including the DRP Price Date in respect of the relevant Dividend less a Discount (if any).
- 7.5 The Price and any Discount will be calculated by the Board, or another suitable person nominated by the Board. The determination of the Price by the Board or some other person nominated by the Board will be binding on all Participants.

8. DRP Account

- 8.1 The Company will establish and maintain a DRP account for each Participant.
- 8.2 The Company will, in respect of each Dividend payable to a Participant:
- 8.2.1 determine the amount of the Dividend payable in respect of the Plan Shares;
 - 8.2.2 determine the withholding payments (if any) deductible by the Company in respect of the Dividend payable in respect of the Plan Shares, and any other sum the Company is entitled to retain in respect of the Plan Shares;
 - 8.2.3 credit the amount in Rule 8.2.1 and debit any amount in Rule 8.2.2 to the Participant's DRP Account;
 - 8.2.4 determine the maximum whole number of additional Shares which may be acquired under the DRP at the Price by using the amount in the Participant's DRP Account in accordance with clause 9;
 - 8.2.5 on behalf and in the name of the Participant, subscribe for or cause the transfer of that number of additional Shares determined under Rule 8.2.4 and debit the Participant's DRP Account with the total of the subscription price or the acquisition amount (as the case may be) for the additional Shares;
 - 8.2.6 issue the additional Shares to the Participant (if applicable) and add the number of Shares issued or acquired to the total number of Shares comprised in the relevant Holding; and
 - 8.2.7 retain in the Participant's DRP Account, without interest, any cash balance remaining.

9. Calculation of entitlements

- 9.1 In respect to the determination in Rule 8.2.4, the maximum whole number of additional Shares which may be acquired under the DRP will be calculated by applying the following formula:

$$N = \frac{(D - W) + CB}{P}$$

where:

N = the number of additional Shares which may be acquired under the DRP, rounded down to the nearest whole number;

D = the amount of the Dividend that would have been paid to the Participant had the Participant not elected to participate in the DRP determined under Rule 8.2.1;

W = the amount of any payments withheld by the Company determined under Rule 8.2.2;

CB = any cash balance in the Participant's DRP account carried forward from a previous issue of DRP Shares which has been retained under Rule 8.2.7;

P = the Price of the DRP Shares as calculated under Rule 7.4.

- 9.2 If the calculation of "N" in Rule 9.1 involves a rounding down to the nearest whole number, then the amount of cash remaining and not applied to an acquisition of Shares under the DRP will be recorded in the Participant's DRP account under Rule 8.2.7.

10. Shares issued under the DRP

- 10.1 Shares issued under the DRP will be issued in accordance with the ASX Listing Rules and, from the date of issue, will rank equally in all respects with existing Shares.
- 10.2 Shares issued under the DRP will be issued on or as soon as practicable after the relevant Dividend Payment Date (and otherwise in accordance with ASX Listing Rules) and will be registered on the same register as a majority of the relevant Participant's Holding of Shares is currently registered.
- 10.3 If a Participant holds Shares in certificated form, a share certificate will be issued for the total number of Shares issued or acquired under the DRP in respect of each Dividend on those Shares. If a Participant holds Shares in uncertificated form, a statement showing the total number of Shares issued or acquired in respect of each Dividend on those Shares will be issued.

11. Underwriting

The Board may, in its absolute discretion, choose to partially or fully underwrite the DRP in respect of any Dividend with one or more underwriters.

12. DRP Statements

On or as soon as practicable after each Dividend Payment Date, the Company will send to each Participant a statement setting out:

- 12.1 the number of the Participant's Plan Shares as at the relevant Record Date;
- 12.2 the amount of Dividend payable to the Participant (less any amounts referred to in Rule 8.2.2) in respect of the Participant's Plan Shares;
- 12.3 the amount in the Participant's DRP Account immediately prior to the payment of the relevant Dividend;
- 12.4 the number of Shares transferred or issued to the Participant under the DRP, the Price of those Shares and the issue/transfer date of those Shares;
- 12.5 the cash balance (if any) retained in the Participant's DRP Account after deduction of the amount payable for the additional Shares;
- 12.6 the number of Shares comprised in the Holding after transfer or issue; and
- 12.7 any other matters required by law or ASX Listing Rules to be included in a statement confirming a transaction of this nature.

13. Quotation on ASX

The Company will apply for Shares issued under the DRP to be listed for quotation on ASX in accordance with the ASX Listing Rules.

14. Costs to Participants

No brokerage, commission or other transaction costs will be payable by Participants in respect of Shares transferred or issued to Participants under the DRP and no stamp duty or other duties will be payable by Participants in respect of Shares transferred or issued under the DRP.

15. Variation or termination of participation

15.1 Subject to Rule 18, a Participant may at any time give a Notice of Variation to the Company:

15.1.1 to increase or decrease the number of the Participant's Shares participating in the DRP;

15.1.2 to terminate the Participant's participation in the DRP.

The alteration or termination takes effect from the next Record Date.

15.2 If a Participant increases the level of participation in the DRP to full participation, all of the Participant's Shares as at the date of the Notice of Variation and all Shares subsequently acquired by the Participant (including Shares transferred or issued under the DRP) will participate in the DRP.

15.3 If a Participant varies the level of participation in the DRP to below full participation, only that number of Shares specified in the Notice of Variation will participate in the DRP and no Shares subsequently acquired by the Participant (including Shares transferred or issued under the DRP) will participate in the DRP.

15.4 If a Participant dies, participation in the DRP will be terminated upon receipt by the Company of sufficient notice of the death. If a Participant is declared bankrupt or is wound up, participation in the DRP will be terminated upon receipt by the Company of sufficient notification of bankruptcy or winding up from the Participant or the Participant's trustee in bankruptcy or liquidator, as the case may be. For clarity, the death, bankruptcy or winding up of one or more joint Holders will not automatically terminate participation.

15.5 Upon termination of participation for whatever reason, the Company will forward, unless otherwise directed, to the Participant or the Participant's legal representative:

15.5.1 a statement of the Participant's DRP Account made to the date of termination; and

15.5.2 the cash balance (if any) shown in the Participant's DRP Account as at the date of termination.

16. Reduction or termination of participation where no notice is given

- 16.1 Where all of a Participant's Shares are subject to the DRP and the Participant disposes of some of those Shares then, unless the Participant advises the Company otherwise, the remaining Shares held by the Participant will continue to participate in the DRP.
- 16.2 Where some of a Participant's Shares are subject to the DRP and the Participant disposes of part of that Holding, then unless the Participant advises the Company otherwise, the Shares disposed of will, to the extent possible, be deemed to be Shares other than Plan Shares. If the number of Shares disposed of exceeds the number of the Participant's Shares which are not Plan Shares, the disposal will be deemed to include all of the Participant's shares which are not Plan Shares, and the balance (if any) of the Shares disposed of will be attributed to Plan Shares.
- 16.3 Where a Participant disposes of all Shares without giving the Company a Notice of Variation, the Participant will be deemed to have terminated participation in the DRP on the last date on which the Company registered a transfer or instrument of disposal of the Participant's Holding.

17. Variation, suspension and termination of the DRP

- 17.1 The DRP may be varied, suspended or terminated by the Board at any time. The variation, suspension or termination will take effect upon the date specified by the Board.
- 17.2 The Board may give notice of any such variation, suspension or termination as it considers appropriate. A variation, suspension or termination of the DRP will not be invalidated by an accidental omission to give notice of the variation, suspension or termination to any particular Shareholder or the non-receipt of any notice by any Shareholder and any such variation, suspension or termination will not give rise to any liability on the part of, or right or action against, the Board or the Company.
- 17.3 Any suspension of the DRP will continue until such time as the Board resolves either to recommence or terminate the DRP. If a suspended DRP is recommenced then the existing election as to participation in respect of the previously suspended DRP will be valid and have full force and effect in accordance with these Rules for the purposes of the recommenced DRP, unless the Board otherwise determines.
- 17.4 In the event of termination of the DRP, the Company will forward to each Participant a statement of the Participant's DRP Account as at the date of termination, and the cash balance (if any) shown in the Participant's DRP account at that date.
- 17.5 Notice given by the Board or the Company under this Rule may be provided in any manner which the Board considers appropriate including, but not limited to, public announcement, notice on the Company's website, announcement to the ASX or mailed written notices.

18. Application and notices

- 18.1 Applications and notices to the Company must be in writing and in such form prescribed by the Board from time to time (or in such other form as the Board may accept).
- 18.2 Applications and notices will be effective upon receipt by the Company subject to:
 - 18.2.1 these Rules;
 - 18.2.2 in the case of applications to participate, acceptance by the Company; and
 - 18.2.3 receipt by the Company before the relevant Record Date for determining entitlements to Dividends.

Applications or notices received on or after the relevant Election Date will not be effective in respect of that Dividend payment but will be effective from the next relevant Election Date.

19. Taxation

Neither the Board, the Company nor its officers, employees or agents:

- 19.1 take any responsibility or assume any liability for, or as a consequence of, the tax liabilities of any person in connection with the DRP; or
- 19.2 represent or warrant that any person will gain any taxation advantage, or will not incur a taxation liability or disadvantage, as a result of participation in the DRP.

20. General

- 20.1 The DRP will commence on a date determined by the Board.
- 20.2 Any Dividend payable on Shares which a Participant has nominated as participating in the DRP and which Dividend the Company is entitled to retain as a result of a charge or lien in favour of the Company in accordance with the Constitution or other requirement of law will not be available for the purpose of participating in the DRP.
- 20.3 The Board and other Related Parties of the Company are eligible to participate in the DRP subject to the ASX Listing Rules.
- 20.4 These Rules will be binding upon each person who is or becomes a Shareholder.
- 20.5 Subject to the Constitution, the Board may implement the DRP in any manner as the Board thinks fit, and may settle any difficulty which may arise either generally or in a particular case in connection with the DRP as the Board thinks fit. Without prejudice to the general powers of the Board under the Constitution and these Rules, the Board may settle in the manner as the Board thinks fit any difficulty, anomaly or dispute which may arise in connection with, or by reason of, the operation of the DRP, whether generally or in relation to any Shareholder or Holding or any Share or Shares and the

determination of the Board will be conclusive and binding on all Shareholders and other persons to whom the determination relates.

- 20.6 Neither the Company nor any officer of the Company will be liable or responsible to any Participant for any loss or alleged loss or disadvantage suffered or incurred by a Participant as a result, directly or indirectly, of the establishment or operation of the DRP or participation in the DRP or in relation to any advice given with respect to participation in the DRP.
- 20.7 The Board may delegate to any one or more persons, for such period and on such conditions as it may determine, the exercise of any of its powers or discretion arising under the DRP.
- 20.8 The DRP, its operation and these Rules will be governed by and construed in accordance with the laws of the state of South Australia.
- 20.9 Despite anything else in these Rules, the ASX Listing Rules and the *Corporations Act 2001* (Cth) prevail to the extent of any inconsistency with these Rules.

Share Registry Details

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