

20 August 2018

Company Announcements Office  
ASX Limited  
20 Bridge Street  
SYDNEY NSW 2000

## **DIVIDEND REINVESTMENT PLAN INTRODUCED**

nib holdings limited (nib) has established a Dividend Reinvestment Plan (DRP), under which eligible shareholders are able to invest all or a part of their dividends in nib ordinary shares.

The DRP will apply to the final dividend payable in respect of the financial year ending 30 June 2018.

A copy of the DRP booklet which outlines the key features of the DRP and plan rules is attached. Also attached is the Chairman's letter and DRP Election Form which will be dispatched to nib shareholders today. A copy of the Chairman's letter, DRP booklet and Election Form can also be obtained from the shareholders page of the nib website [nib.com.au/shareholders](http://nib.com.au/shareholders).

Election forms will need to be received by 5.00pm (AEST) on Monday 10 September 2018 in order to be effective for the FY18 final dividend.

Yours sincerely,



Roslyn Toms  
**Company Secretary**

### **For further information please contact:**

Matthew Neat  
Head of Corporate Affairs & Investor Relations  
T: +61 (0)2 4914 1777  
M: +61 (0)411 700 006  
E: [m.neat@nib.com.au](mailto:m.neat@nib.com.au)



NHF  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

20 August 2018

Dear Shareholder

### INTRODUCTION OF DIVIDEND REINVESTMENT PLAN

nib holdings limited (ASX: NHF) is pleased to announce the introduction of a Dividend Reinvestment Plan (DRP).

The DRP allows eligible shareholders to reinvest all or part of their dividends in ordinary shares in nib holdings limited (Shares) in accordance with the DRP Rules. Shares acquired under the DRP will be free of brokerage fees and other transaction costs.

#### What you need to do to participate in the DRP

The Directors are pleased to advise that the DRP will be available for the dividend to be paid on 5 October 2018 (FY18 Final Dividend). You will need to advise us of your election to participate in the DRP in relation to the FY18 Final Dividend by no later than 5:00pm (AEST) on Monday 10 September 2018 by:

1. Visiting [nib.com.au/easyupdate](http://nib.com.au/easyupdate);
2. Completing the enclosed DRP application form and returning it in the envelope provided; or
3. Calling 1300 664 316 (within Australia)  
0800 487 010 (within New Zealand)  
+61 3 9415 4651 (outside Australia).

#### If you do not wish to participate in the DRP, you do not need to do anything.

You will continue to receive dividend payments in accordance with your current instructions.

#### Further information

A copy of the DRP rules are available on our website. Visit [nib.com.au/shareholders](http://nib.com.au/shareholders). Please read the full terms and conditions as set out in the DRP Rules and seek your own professional advice prior to determining whether to participate in the DRP for the FY18 Final Dividend.

If you would like to ask a general question about the DRP or its operation or if you would like to receive a copy of the DRP rules, please contact Computershare on 1300 664 316 or email [nibshareregistry@computershare.com.au](mailto:nibshareregistry@computershare.com.au)


Thank you for your continued support.

Yours faithfully,



Steve Crane  
Chairman  
nib holdings limited

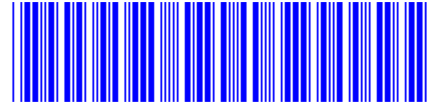
 **Online:**  
www.investorcentre.com/contact

 **By Mail:**  
Computershare Investor Services Pty Limited  
GPO Box 2975 Melbourne  
Victoria 3001 Australia

**Enquiries:**

(within Australia) 1300 664 316  
(international) +61 3 9415 4000

Securityholder Reference Number (SRN)



I 1234567890 I N D

 For your security keep your SRN/HIN confidential. ....

## Dividend Reinvestment Plan

Use a **black pen**.  
Print in **CAPITAL** letters  
inside the grey areas.

A	B	C
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1	2	3
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Where a choice is required,  
mark the box with an 'X'

X
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If you make a mistake, shade out  
the box. Do **NOT** use liquid paper.



### A **DRP Election Form/Notice of Variation**

1.  **ALL** Please mark this box with an 'X' if you wish all of your Shares to participate in the DRP. No cash dividend will be paid on your Shares.

**IMPORTANT:** If you choose partial participation, you must only show either the number **OR** the percentage of your shareholding that you wish to participate.

2.  **PARTIAL** Show the number of Shares you wish to participate in the DRP.

OR

Specify the percentage of Shares you wish to participate in the DRP.  %

3.  **TERMINATION** I/We no longer wish to participate in nib holdings limited's DRP. Mark the box with an 'X' only if you already participate in the DRP and wish to cancel your participation.

#### Residual positive balance election:

Pursuant to Rule 6.5, I/we elect to have any residual positive balance (representing less than the Offer Price of one Share):

**RETAINED**, in my/our Participant Plan account, and carried forward to the next Dividend in accordance with the Rules; **OR**  **DONATED** to the nib foundation

If I/we do not make any election, any residual positive balance will be retained in my/our Participant Plan account, and carried forward to the next Dividend in accordance with the Rules.

### B **Sign Here - This section must be signed for your instructions to be executed.**

I/We authorise you to act in accordance with my/our instructions set out above. I/We acknowledge that these instructions supersede and have priority over all previous instructions in respect to my/our Shares. Where I/we have indicated participation in the DRP, I/we hereby agree to be bound by the Rules.

**Individual or Shareholder 1**

**Director**

**Shareholder 2**

**Director/Company Secretary**

**Shareholder 3**

**Sole Director and Sole Company Secretary**

**Date - Day Month Year**

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*Note: When signed under Power of Attorney, the attorney confirms they have not received a notice of revocation. Computershare Investor Services Pty Limited needs to sight a certified copy of the Power of Attorney.*

T B A



## How to complete this form

### A Dividend Reinvestment Plan (DRP)

1. Complete this section if you wish to have your dividends on all your nib holdings limited shares (Shares) reinvested in the form of more Shares.
2. If you wish only part of your Shareholding to participate in the DRP, you must only show either the number of the Shares OR the percentage of your shareholding that you wish to participate.

The dividend on the balance of the Shares in this Shareholding will be paid in cash by direct credit to your nominated bank account. Shares allocated as a result of your participation in the DRP will automatically participate in the DRP, until a contrary Notice of Election is registered.

3. If you no longer wish to participate in the DRP, please complete this section.

Please note that an election to participate fully in the DRP will take precedence over any instruction on the registry record regarding direct payment of cash dividends into a nominated account.

This instruction only applies to the specific holding identified by the SRN/HIN and the name appearing on the front of this form.

By applying to participate in the DRP, you:

- warrant to nib holdings limited that you are an Eligible Shareholder (as defined in the DRP Rules);
- agree to be bound by the DRP Rules (Rules);
- acknowledge that the Directors may reject the DRP Election Form;
- agree to the appointment of a nominee by nib holdings limited as your agent to acquire Shares on or off market, if the Directors so determine; and
- acknowledge that neither nib holdings limited nor Computershare Investor Services have provided any investment or financial product advice in relation to your participation in the DRP.

### B Signature(s)

If you have chosen to have your cash dividends fully or partially reinvested into Shares and you have completed Sections A or B, you must sign this form as follows in the spaces provided:-

Joint Holding: where the holding is in more than one name, all of the securityholders must sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

**Please return the completed form in the envelope provided or to the address opposite:**

Computershare Investor Services Pty Limited  
GPO Box 2975  
Melbourne Victoria 3001  
Australia



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nib holdings limited  
ABN 51 125 633 856

August 2018

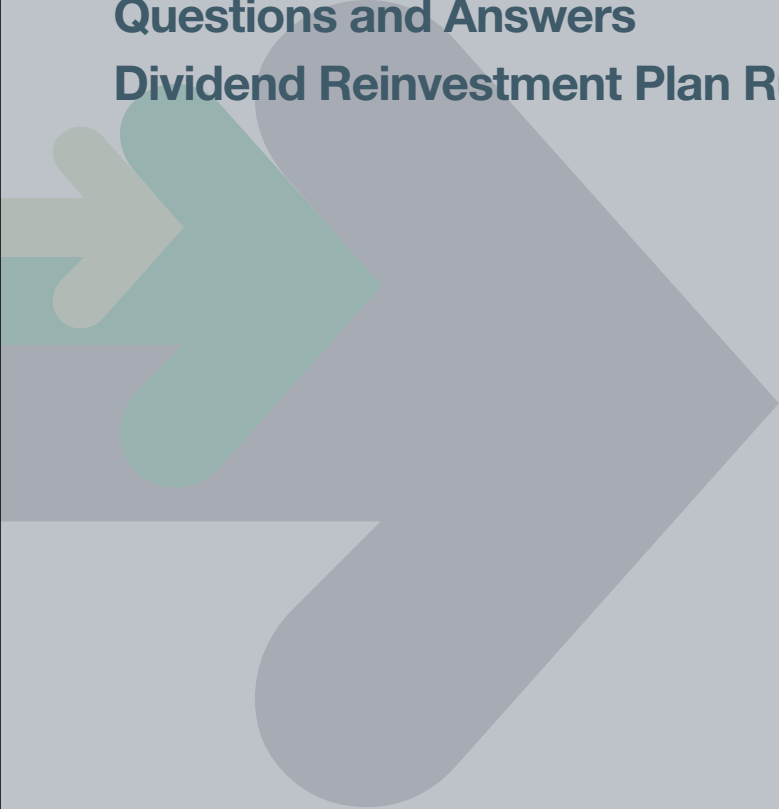


# Dividend Reinvestment Plan

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## **Important Note**

nib and its related bodies corporate do not provide you with any investment, financial product or other professional advice. nib and its related bodies corporate encourage you to seek your own independent advice before making any financial decisions. nib and its related bodies corporate are each not licensed in Australia to provide financial product advice in relation to shares in nib (or any other type of financial product).

The DRP is available only to nib shareholders who are residents of Australia or New Zealand – see page 4

If you have any questions in relation to the Dividend Reinvestment Plan after reading this booklet, please contact nib's share registry provider, Computershare on:

Phone: 1300 664 316 (within Australia)  
0800 487 010 (within New Zealand)  
+61 3 9415 4651 (outside Australia)

Email: [nibshareregistry@computershare.com.au](mailto:nibshareregistry@computershare.com.au)

# Features of the Dividend Reinvestment Plan

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The nib holdings limited Dividend Reinvestment Plan (“the Plan”) provides eligible holders of ordinary shares in nib holdings limited (“nib or the Company”) with a convenient way of reinvesting all or part of their dividends in ordinary shares in the Company. The Plan gives eligible shareholders the choice of applying dividends determined and payable by the Company to subscribe for fully paid ordinary shares in the Company rather than receiving those dividends in cash. Features of the Plan include:

## Increase your shareholding

The Plan is an easy and convenient way to increase your nib shareholding.

## No transactional costs

You do not have to appoint a broker and you will not have to pay fees, brokerage or other transaction costs for shares acquired by you under the Plan.

## Participation is optional

Participation is entirely voluntary and you can join, withdraw or vary your participation in the Plan at any time.

## Participation is flexible

You can choose to reinvest all, part or none of your dividend in the Plan.

## Shares rank equally

Shares acquired by you under the Plan will rank equally with existing fully paid ordinary shares in the Company.

## Dividend statements

Plan statements outlining the dividend calculation and the details of your participation in the Plan will be dispatched on the relevant dividend payment date.

## Questions and Answers

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Shareholders should read the detailed terms of the Plan and not rely on these questions and answers. If there is any inconsistency between the Plan Rules and these questions and answers, the Plan Rules prevail. If in doubt, consult your financial or other professional adviser before deciding whether to participate. Capitalised terms not otherwise defined have the meaning given in the Plan Rules on page 6.

### How do I participate in the Plan?

Participation in the Plan is entirely voluntary. All that you need to do is to complete the DRP Election Form and return it in the enclosed reply paid envelope to the Share Registry at the address shown on the DRP Election Form or complete and submit the DRP Election Form electronically by going to [nib.com.au/easyupdate](http://nib.com.au/easyupdate).

Additional forms can be downloaded from the Dividend Information page on our website [nib.com.au](http://nib.com.au) or you can contact our Share Registry on 1300 664 316 (within Australia) or +61 3 9415 4651 (outside Australia) to request a DRP Election Form.

### Who is eligible to participate in the Plan?

As a general rule, ordinary shareholders in the Company who have a registered address in Australia or New Zealand are eligible to participate in the Plan unless they hold Shares on behalf of another person who resides outside Australia or New Zealand.

Shareholders in other jurisdictions may also be eligible in some circumstances. Please see the Plan Rules for further information about eligibility.

### When will my participation in the Plan begin?

Participation begins with the first Dividend determined after receipt of your DRP Election Form (if it is received before 5.00pm on the day before the record date for that Dividend).

### How is the Offer Price for the Plan Shares calculated?

Offer Price is defined in the Plan Rules. It is based on the average market price of Shares sold on ASX during a period of not less than five trading days, commencing two trading days after the record date (or as the Directors determine) in respect of the Dividend. The Directors may decide that the Offer Price includes a discount.



# Questions and Answers continued

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## Do all my Shares have to participate in the Plan?

Eligible shareholders may elect to participate in the Plan for all or part of their holding, subject to any minimum and/or maximum number of Shares to participate in the Plan as the Directors may specify. There is currently no minimum or maximum number of Shares set for participation in the Plan.

## How many Shares will I receive?

The number of Shares you receive will be calculated by multiplying the number of Plan Shares you hold at the relevant record date by the Dividend, deducting any withholding tax or other applicable deductions and then dividing this amount by the Offer Price.

Any applicable residual positive balance will be dealt with as indicated on the DRP Election Form. If you do not indicate on the DRP Election Form how you wish your residual positive balance to be treated, the residual positive balance will be dealt with as determined by the Directors from time to time. The calculation will be rounded down to the nearest whole number of Shares.

## How will I know how many Shares I receive under the Plan?

All participants in the Plan will be sent a statement on the Dividend payment date. This statement will include:

- the number of Plan Shares you held at the record date for the Dividend;
- the Dividend payment calculation (including any withholding tax or other applicable deductions);
- the Offer Price; and
- the number of Shares acquired by you and the amount of any applicable residual positive balance (if relevant).

## How will my Plan Shares be treated for the subsequent dividend payments?

If you choose to participate fully in the Plan, or do not indicate how many Shares you wish to participate in the Plan, all Shares held by you at each record date for a Dividend will be treated as participating in the Plan for that Dividend.

If you choose partial participation, only the number of Shares you have specified will be Plan Shares.

## What if I have more than one shareholding in the Company?

You will need to lodge a separate DRP Election Form for each shareholding registered under different names or each shareholding bearing different shareholder reference numbers or holder identification numbers.

## Can the Plan be changed or terminated?

The Directors may vary the Rules or suspend or terminate the Plan at any time. If this occurs, the Directors will make a public announcement and information will be available at [nib.com.au](http://nib.com.au).

## How can I change my Plan participation?

You can change your participation or withdraw from the Plan by completing a Notice of Variation and lodging it with the Share Registry. The Notice of Variation must be received before the next record date to be active for the next Dividend.

## Can I sell my Plan Shares?

You can sell your Plan Shares any time. If you sell all your Shares between a record date and the payment date for a Dividend, your Dividend in respect of your Plan Shares will still be reinvested in the Plan.

However, if you sell all of your Shares before the record date for a Dividend, you will not receive Shares under the Plan or any other payment on the Dividend payment date.

## What is the taxation treatment?

Dividends reinvested into Shares are usually treated as dividends received in the hands of the shareholder for Australian tax purposes. The Company cannot, however, advise on the taxation implications of participating in the Plan. If you have any questions regarding taxation implications, please consult your professional adviser.

## Enquiries

If you have further general enquiries about how the Plan operates and how you can participate, please contact the Share Registry at:

Phone: 1300 664 316 (within Australia)  
0800 487 010 (within New Zealand)  
+61 3 9415 4651 (outside Australia)

Email: [nibshareregistry@computershare.com.au](mailto:nibshareregistry@computershare.com.au)

# Dividend Reinvestment Plan Rules

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## 1 Definitions and interpretation

### 1.1 Definitions

The following words have these meanings in these Rules, unless the contrary intention appears:

**Allocation** means the issue of Shares to a Participant under the Plan or the transfer of Shares acquired for the purposes of the Plan to a Participant under the Plan, as the case may be. “**Allocate**” and “**Allocated**” have a corresponding meaning.

**ASX** means ASX Limited (ABN 98 008 624 691) or Australian Securities Exchange as appropriate.

**Company** means nib holdings limited (ABN 51 125 633 856).

**Constitution** means the constitution of the Company as amended from time to time.

**Directors** means the directors of the Company acting as a board or any duly appointed committee of the board.

**Dividend** means a cash dividend or cash component of a dividend payable or paid by the Company.

**DRP Election Form** means the application to participate in the Plan in respect of a particular shareholding account in the form that the Directors from time to time approve.

**Eligible Shareholder** means a person registered as the holder of at least any minimum number of Shares determined by the Directors under Rule 4.1 other than:

- a. a person with a registered address in any place where, in the reasonable opinion of the Directors, participation or the making of an offer or invitation to participate in the Plan is unlawful or would require compliance with conditions which the Directors in their sole discretion regard as unacceptable or unduly onerous; or
- b. a person whose participation in the Plan would otherwise, in the reasonable opinion of the Directors, be unlawful, impractical, impossible or would have an adverse effect on the regulatory approvals or licences which the Company holds or for which it intends to apply or the availability of exceptions or waivers which the Company intends to rely on.

**Listing Rules** means the Listing Rules of ASX and any other applicable rules of ASX modified to the extent of any express written waiver by ASX.

**Normal Trade** means all trades excluding special trades such as special crossings, overseas trades, option exercise trades and any other trade determined by the Directors in their discretion to not be reflective of normal trading in Shares.

**Notice of Variation** means a notice in the form that the Directors from time to time approve for a Participant to increase or decrease the number of the Participant’s Plan Shares or withdraw from the Plan.

**Offer Price** means, in respect of any Shares Allocated under the Plan, the arithmetic average of the daily volume weighted average market price (rounded to four decimal places or such other number of decimal places as the Directors may determine) of all Shares sold through a Normal Trade on ASX’s automated trading system during a period of not less than five trading days, as determined by the Directors, commencing two trading days after the record date, or any other date as determined by the Directors, in respect of the relevant Dividend, less any discount determined by the Directors under Rule 6.4.

The volume weighted average market price will be calculated by the Directors or a person nominated by the Directors, by reference to any information the Directors or the person nominated by the Directors approves for the purpose. A determination by the Directors or the person nominated by the Directors of the price binds all Participants.

**Participant** means an Eligible Shareholder whose application to participate in the Plan in respect of a particular shareholding account has been accepted by the Directors.

**Plan** means the nib holdings limited Dividend Reinvestment Plan, the terms of which are set out in the Rules.

**Plan Shares** means the Shares in a particular shareholding account which are designated by a Participant as Shares the Dividend on which is to be applied to acquire Shares under the Plan.

**Rules** means these rules of the Plan as varied from time to time.

**Share Registry** means Computershare Investor Services Pty Ltd or any other share registry that maintains the Share register of the Company.

**Shares** means fully paid ordinary shares in the Company, and any other shares in the Company that the Directors decide are eligible for participation in the Plan.

### 1.2 Interpretation

Headings are for convenience only and do not affect interpretation.

Unless the contrary intention appears, in these Rules:

- a. the word “person” includes a body corporate, a partnership and joint venture;
- b. the singular includes the plural and vice versa;

# Dividend Reinvestment Plan Rules continued

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- c. a reference to a document or these Rules includes any variation or replacement of it;
  - d. a reference to a particular person includes a reference to the person's legal personal representatives, executors, administrators and successors;
  - e. a reference to legislation includes regulations and other instruments made under it and any variation or replacement of any of them;
  - f. a reference to the exercise of a power or discretion includes a decision not to exercise the power or discretion; and
  - g. the meaning of general words is not limited by specific examples introduced by "including", "for example" or "such as" or similar expressions.

## 2 Commencement of Plan

The Directors may determine the date on which the Plan and these Rules will commence operation.

## 3 Eligibility and participation in the Plan

### 3.1 Eligible Shareholders

The Company may from time to time invite Eligible Shareholders to participate in the Plan.

### 3.2 No transfer

Participation in the Plan is optional and is not transferable.

### 3.3 DRP Election Form

Subject to Rule 3.5, to apply to participate in the Plan, Eligible Shareholders must complete, sign and lodge a DRP Election Form with the Share Registry.

A DRP Election Form can be obtained from the Company's website at [nib.com.au/shareholders](http://nib.com.au/shareholders) or by telephoning 1300 664 316 (within Australia) or +61 9415 4651 (outside Australia).

### 3.4 Joint holders

Subject to Rule 3.5, all joint holders of Shares must sign a single DRP Election Form for it to be valid. If one or more of the joint holders of the Shares is not an Eligible Shareholder, none of the joint holders can apply to participate in the Plan with respect to the Shares jointly held.

### 3.5 Electronic facility

The Directors may determine that Eligible Shareholders can lodge DRP Election Forms electronically, either through the Company's website or that of an authorised third party. Any electronic facility will be referred to on the Company's

website and announced to ASX. Any DRP Election Forms lodged electronically must comply with the terms and conditions of the facility.

### 3.6 Multiple shareholding accounts

An Eligible Shareholder must lodge a separate DRP Election Form for each holding of Shares in relation to which they wish to participate in the Plan.

## 4 Degree of participation

### 4.1 Participation

An Eligible Shareholder who wishes to participate in the Plan must elect on the DRP Election Form the degree to which the shareholder wishes to participate in the Plan. Subject to any minimum and/or maximum number of Shares that may be or become Plan Shares determined by the Directors from time to time in respect of an Eligible Shareholder, participation in the Plan may be either:

- a. full participation – for all the Participant's shareholding from time to time however acquired (including Shares Allocated under the Plan);
- b. partial participation – for a specific number of Shares nominated by the Participant together with the Shares acquired under the Plan and any bonus shares issued in respect of Plan Shares. If at the record date for a Dividend, the number of Shares held by the Participant is fewer than the nominated number, then the Plan will apply only to that lesser number for that Dividend; or
- c. partial participation for a specific proportion of Shares held by the Participant at the relevant time.

### 4.2 Limited participation

Despite Rule 4.1, the Directors may at any time by written notice to Eligible Shareholders limit participation in the Plan by limiting the amount of Dividend which may be reinvested under the Plan.

### 4.3 Application taken to be for full participation

A DRP Election Form received by the Company may be taken to be an application for full participation in the Plan for all shareholding accounts of the Eligible Shareholder if the Eligible Shareholder does not clearly indicate:

- a. the shareholding account to which the DRP Election Form applies; or
- b. the degree of participation in the Plan.

An Eligible Shareholder is not entitled to notice under this Rule 4.3.

# Dividend Reinvestment Plan Rules continued

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## 5 Acceptance of applications

### 5.1 Director's discretion

The Directors may in their absolute discretion accept or refuse any DRP Election Form, without having to give any reason for their decision.

### 5.2 Rejection of DRP Election Form

If the Directors refuse to accept a DRP Election Form, the Company must notify the Eligible Shareholder as soon as is practicable that the DRP Election Form has been rejected.

### 5.3 Effectiveness of DRP Election Form

Subject to Rule 5.1, an Eligible Shareholder's participation in the Plan commences from the first Dividend payment after the Company receives the DRP Election Form, provided it is received before the record date for that Dividend, and continues until:

- a. superseded by a later Notice of Variation;
- b. the Participant terminates their participation in the Plan; or
- c. the Plan is suspended or terminated.

### 5.4 Record of DRP Participation

The Company will record for each shareholding account of each Participant particulars of:

- a. the name and address of the Participant; and
- b. the number of Plan Shares held by the Participant from time to time.

The Company's records will be conclusive evidence of the matters recorded.

### 5.5 Significance of applying

By applying to participate in the Plan in accordance with Rule 3, an applicant:

- a. represents to the Company that it is an Eligible Shareholder;
- b. authorises the Company (and its officers or agents) to correct any error in, or omission from, the applicant's DRP Election Form or any later Notice of Variation;
- c. acknowledges that the Company may at any time irrevocably determine that the applicant's DRP Election Form is valid, in accordance with these Rules, even if the DRP Election Form is incomplete, contains errors or is otherwise defective;
- d. acknowledges that the Company may reject any DRP Election Form;
- e. acknowledges any discount applicable under Rule 6.4, may be different from one Dividend to the next; and

- f. acknowledges that none of the Directors, the Company or the Share Registry has provided the applicant with investment advice or financial product advice and that none of the above has any obligation to provide any advice concerning the applicant's decision to apply to participate in the Plan.

## 6 Reinvestment of Dividends

### 6.1 Reinvestment

The Directors may determine whether to Allocate Shares by issuing new Shares to a Participant or by transferring Shares to a Participant, or a combination of both, to satisfy the obligations of the Company under these Rules. Any Dividends on Plan Shares which the Company is entitled to retain under its Constitution or otherwise will not be available for acquiring Shares.

Any portion of a Participant's Dividends on Plan Shares:

- a. which is deductible by the Company as withholding tax; or
- b. which the Company is otherwise entitled or required to withhold or deduct for any reason from the Dividend payable to that Participant,

will not be applied to acquire Plan Shares.

### 6.2 Plan accounts

The Company will establish and maintain a Plan account for each shareholding account of each Participant. At the time of each Dividend payment, the Company will:

- a. determine the Dividend payable in respect of the Plan Shares which may be reinvested under the Plan (before any deduction referred to in paragraph (b) below);
- b. determine any amount to be withheld or deducted under Rule 6.1, and any other sum the Company is entitled to retain in respect of the Plan Shares;
- c. credit the amount in paragraph (a) above and debit any amount in paragraph (b) above to the Participant's Plan account;
- d. determine the maximum whole number of Shares which can be acquired under these Rules by using the amount in the Participant's Plan account and the Offer Price for those Shares;
- e. on behalf of and in the name of the Participant, subscribe for or cause the transfer of the number of Shares determined under paragraph (d) above and debit the aggregate Offer Price for those Shares against the balance in the Participant's Plan account; and
- f. deal with the residual positive balances as indicated on the Participant's DRP Election Form.

# Dividend Reinvestment Plan Rules continued

## 6.3 Entitlement formula

The number of Shares Allocated to each Participant will be the whole number equal to, or when not a whole number, the nearest whole number (rounded down) calculated in accordance with the formula below and Rule 6.5:

$$\frac{D - T + R}{O}$$

where:

- D is the Dividend payable on the Participant's Plan Shares as at the record date for that Dividend which may be reinvested under the Plan;
- T is any withholding tax or other amount the Company is entitled to deduct or retain in relation to the Dividend or the Plan Shares;
- R is the residual positive balance carried forward in the Participant's Plan account (if applicable);
- O is the Offer Price.

Shares will not be Allocated under the Plan if the Allocation would breach the Listing Rules or any applicable law.

## 6.4 No discount unless otherwise determined

No discount will apply for the purposes of calculating the Offer Price unless the Directors determine otherwise. If the Directors resolve to apply a discount for the purposes of calculating the Offer Price, the discount must not exceed a percentage amount determined by the Directors from time to time.

Any discount determined by the Directors for a particular Dividend may differ from any discount determined by the Directors for any other Dividend.

The discount allocated for a particular Dividend:

- a. may be nil; and
- b. may be varied by announcement on the Company's website and to ASX at any time, but any variation will not apply to Dividends already announced.

## 6.5 Residual positive balance

- a. This Rule applies if the number of Shares Allocated under the Plan to any Participant is the nearest whole number below the number determined in accordance with Rule 6.3. If so, the difference between the positive balance of the Participant's Plan account (before Allocation) and the total Offer Price for those Shares will be dealt with as indicated by the Participant on their DRP Election Form. If the residual positive balance is recorded in the Participant's Plan account, the residual positive balance will be carried forward, on behalf of the Participant, to the next Dividend. No interest will accrue in respect of a residual positive balance recorded in the Participant's

Plan account. When participation in the Plan terminates, any residual positive balance held in the Participant's Plan account will be paid to the Participant.

- b. If a Participant does not indicate how any residual positive balance should be dealt with on the Participant's DRP Election Form, the residual positive balance will be recorded in the Participant's Plan account and the residual positive balance will be carried forward, on behalf of the Participant, to the next Dividend. No interest will accrue in respect of a residual positive balance recorded in the Participant's Plan account. When participation in the Plan terminates, any residual positive balance held in the Participant's Plan account will be paid to the Participant.

## 6.6 Statements

As soon as practicable after each Allocation of Shares under the Plan, the Company will send to each Participant, for each shareholding account, a statement setting out:

- a. the number of the Participant's Plan Shares on the record date for the relevant Dividend;
- b. the Dividend payable in respect of that Participant's Plan Shares which has been applied towards acquiring additional Shares;
- c. if applicable, the amount of any withholding tax or other amount under Rule 6.2(b) which has been withheld or deducted from the Dividend payment on the Participant's Plan Shares;
- d. the number and Offer Price of additional Shares and the date they were acquired by that Participant under the Plan;
- e. the total number of Shares (including Plan Shares) in respect of which that Participant is the registered holder; and
- f. the amount of any residual positive balance for that Participant (if applicable).

## 6.7 Equal ranking

All Shares Allocated under the Plan will rank equally in all respects with existing Shares.

## 6.8 Allocation of Shares and despatch of statements

Shares to be Allocated under the Plan will be Allocated within the time required by ASX. Shareholder statements for the Shares will be despatched as soon as practicable after the Allocation.

## 6.9 Quotation on ASX

The Company must apply to ASX for official quotation of any Shares issued under the Plan, if other Shares are quoted at that time.



# Dividend Reinvestment Plan Rules continued

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## 6.10 Underwriting

The Directors may choose to partially or fully underwrite the Plan in respect of any Dividend with one or more underwriters.

## 7 Variation or termination of participation

### 7.1 Notice of Variation

By lodging with the Company a Notice of Variation, a Participant may:

- a. increase or decrease the number of its Plan Shares; or
- b. terminate its participation in the Plan.

A Notice of Variation must be lodged for each shareholding account. To be effective for a future Dividend, the Notice of Variation must be received by the Company before the record date for that Dividend.

### 7.2 Participation taken to be terminated

If a Participant disposes of all the Participant's Shares without giving the Company a Notice of Variation and is not registered as a holder of any Shares at the record date for a Dividend, the Participant is taken to have terminated participation in the Plan on the last date when the Company registered a transfer of the Participant's Shares.

### 7.3 Part disposal and no notice

When a Participant disposes of part of the Participant's holding of Shares, and does not notify the Company otherwise, the Shares disposed of, to the extent possible, will be taken to be:

- a. first, Shares which are not Plan Shares; and
- b. secondly, Plan Shares.

### 7.4 Termination on death or bankruptcy

If a Participant dies, their participation in the Plan terminates when the Company receives written notice of the death. If a Participant is declared bankrupt or is wound-up, their participation in the Plan terminates when the Company receives 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 Shareholders.

## 8 Modification, suspension and termination of the Plan

### 8.1 Directors may act

The Plan may be:

- a. modified (including by variation of the Rules);
- b. suspended;
- c. recommenced; or
- d. terminated,

by the Directors at any time.

### 8.2 Modification

If the Plan or Rules are modified, a Participant continues to participate under the Plan unless the Participant terminates its participation in the Plan by submitting a Notice of Variation in accordance with Rule 7.1 or is taken to have terminated its participation under Rule 7.2 or Rule 7.4.

### 8.3 Suspension

If the Plan is suspended, Participants' elections as to participation in the Plan cease to be effective and all Shares are taken not to be Plan Shares for the purpose of any Dividend declared or determined and paid while the Plan is suspended. If the Plan remains suspended for at least two consecutive Dividend payment dates, then any DRP Election Form previously lodged by a Participant is void.

### 8.4 No Dividends during suspension

While the Plan is suspended, Dividends on Plan Shares will not be applied on the Participant's behalf in acquiring Shares.

### 8.5 Recommencement

If the Plan is recommenced following a suspension for:

- a. less than two consecutive Dividend payment dates, the Participant's previously suspended DRP Election Form will be reinstated and be valid and effective in accordance with these Rules for the purposes of the recommenced Plan, unless determined otherwise by the Directors and notified to Participants in accordance with Rule 8.6; or
- b. at least two consecutive Dividend payment dates, each Participant who wishes to participate in the recommenced Plan must complete and submit a new DRP Election Form, in accordance with Rule 3.3.

# Dividend Reinvestment Plan Rules continued

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## 8.6 Notice

The Company will give notice of any:

- a. **termination of the Plan** to Participants before the effective date of the termination;
- b. **variation of the Plan or Rules** (other than simply an exercise of a discretion, authority or power under these Rules) to Eligible Shareholders before the effective date of the variation; and
- c. **suspension or recommencement of the Plan** to Participants as soon as reasonably practicable before or after the effective date of the suspension or recommencement.

Notice may be provided in any manner (including, but not limited to, by public announcement, advertisements in any newspapers circulating generally in Australia, notice on the Company's website, announcement to ASX or mailed written notices) which the Directors consider appropriate to bring the termination, variation, suspension or recommencement to the notice of the Participants or Eligible Shareholders, as the case may be, having regard to the nature of the event for which notice is being given.

## 8.7 No liability

Any variation, suspension, recommencement or termination of the Plan will not give rise to any liability on the part of, or right of action against, the Company or its Directors, officers, employees, representatives or agents.

## 8.8 Omission or non-receipt of notice

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

## 9 Administration of the Plan

The Directors will administer the Plan in accordance with the Listing Rules and the Constitution and applicable law.

The Directors have the power to:

- a. determine procedures for administration of the Plan consistent with the Rules;
- b. settle in any manner as they think expedient or appropriate 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 Shares. Any determination of the Directors is conclusive and binding on all Participants and other persons to whom the determination relates; and
- c. delegate to any person for any period of time and on any conditions as they determine, the exercise of any of their powers or discretions under the Plan.

## 10 Participants to be bound

Participants are at all times bound by the Rules.

## 11 Taxation

Neither the Company nor its Directors, officers, employees, representatives or agents:

- a. take any responsibility or assume any liability for, or as a consequence of, the taxation liabilities of Participants; or
- b. represent or warrant that a Participant will gain any taxation advantage, or will not incur a taxation liability or disadvantage, as a result of participation in the Plan.

## 12 Costs to Participants

No brokerage, commission or other transaction costs will be payable by Participants in respect of Shares Allocated under the Plan. However the Company does not assume liability for any taxes or other imposts assessed against or imposed on a Participant.

## 13 Governing law

These Rules will be governed by and construed in accordance with the laws of New South Wales.

## 14 Additional information

A copy of the Company's most recent annual report, these Rules and financial statements is available to every Shareholder free of charge from the Company's website [nib.com.au](http://nib.com.au) or on request by contacting the Share Registry.

