

**DIVIDEND REINVESTMENT PLAN RULES**

**1. INTERPRETATION**

**1.1 Definitions**

In these Rules, unless the context otherwise requires:

**“Act”** means the Corporations Act 2001 Cth of Australia;

**“ASX”** means ASX Limited ACN 008 624 691;

**“Board”** means the board of directors of the Company;

**“BSP”** means the CML Group Limited Bonus Share Plan adopted by the Board (if any);

**“Business Day”** means a day upon which ASX is open for trading in securities;

**“Company”** means CML Group Limited ACN 098 952 277;

**“Constitution”** means the constitution of the Company;

**“Distribution Amount”** has the meaning set out in clause 4.3;

**“Dividend”** means a dividend declared by the Board of the Company in respect of Shares;

**“DRP”** means the CML Group Limited Dividend Reinvestment Plan adopted by the Board and regulated by these Rules;

**“DRP Election Date”** means the last date by which Election Forms, Variation Notices and other notices referred to in clause 9.3 must be received by the Company at the Share Register in relation to a particular Dividend, which date shall be two Business Days after the Record Date for the relevant Dividend;

**“DRP Participating Share”** means a fully paid Share in respect of which the Shareholder is participating in the DRP;

**“Election Form”** means a written application to participate in the DRP signed by a Shareholder (or each Shareholder in the case

of a joint shareholding) under clause 3.1 in the form prescribed or approved by the Board from time to time, which may (without limitation) be combined with or form part of, any other form or notice (including a Variation Notice);

**“Ex-Dividend Date”** means the date on which Shares in the Company are quoted on ASX on an ex-dividend basis with respect to a Dividend;

**“Fixed DRP Price”** means the price (if any) at which Shares will be issued pursuant to the DRP as determined by the Board, in its absolute discretion, and announced to ASX on the day a Dividend is declared by the Board;

**“Full Participation”** has the meaning set out in clause 3.2 (a);

**“Market Price”** of a Share means the price determined by the Board to be the volume weighted average market price (on an “ex dividend” basis) of all Shares sold on ASX on the five Business Days subsequent to and inclusive of the Ex-Dividend Date **PROVIDED HOWEVER** that where no sales are recorded over the aforementioned period or if, in the opinion of the Board, in its absolute discretion, the market for shares in the Company is affected by any unusual or extraordinary circumstances, the “Market Price” of a Share means the fair ex-dividend market value of a Share given the relevant circumstances as determined by the Board in its absolute discretion;

**“Non-Participating Share”** means a fully paid Share that is not a DRP Participating Share;

**“Partial Participation”** has the meaning set out in clause 3.2 (b);

**“Participant”** means a Shareholder in respect of the Shareholder’s DRP Participating Shares;

**“Participation”** means Full Participation or Partial Participation;

**“Record Date”** means the date on which entitlements to a particular Dividend are determined as notified by the Company to ASX;

**“Register”** means the Company’s share register maintained under sections 168 and 169 of the Act;

**“Rules”** means these Rules as may be varied or modified from time to time pursuant to clause 13;

**“Share”** means a fully paid ordinary share in the capital of the Company and any other share in the Company that the Board may from time to time determine to be a “Share” for the purposes of these Rules;

**“Shareholder”** means, subject to clause 1.4, the person or entity whose name is (or in the case of a joint shareholding, all the persons or entities whose names are) entered in the Register as the holder of a Share;

**“Share Registry”** means Computershare Investor Services Pty Limited ACN 005 485 825 or such other share registry as the Company may from time to time determine by notice to Participants; and

**“Variation Notice”** means a written notice signed by a Shareholder (or each Shareholder in the case of a joint shareholding) in accordance with clause 8.1 in the form prescribed or approved by the Board from time to time, which may (without limitation) be combined with, or form part of, any other form or notice including an Election Form.

## **1.2 General**

In these Rules, unless the context otherwise requires:

- (a) a reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any subordinate legislation issued under, that legislation or legislative provision;

- (b) the singular includes the plural and vice versa;
- (c) a reference to any gender includes all genders;
- (d) a word denoting an individual or person includes a corporation, partnership, joint venture, association, authority, trust, state or government and vice versa;
- (e) references to clauses are to clauses of these Rules;
- (f) an expression defined in these Rules has the same meaning throughout;
- (g) a reference to any document is to that document (and, where applicable, any of its provisions) as amended, supplemented or replaced from time to time; and
- (h) a reference to “dollars” or “\$” is to Australian currency.

## **1.3 Headings**

In these Rules, headings are for convenience of reference only and do not affect interpretation.

## **1.4 Separate Shareholder Reference Numbers or Holder Identification Numbers**

Where a Shareholder is, in respect of a distinct number of Shares held by that Shareholder, shown in the Register with separate shareholder reference numbers (“**SRN**”) or holder identification numbers (“**HIN**”), for the purpose of these Rules, the Shareholder is taken to be a separate and distinct Shareholder in relation to each such SRN or HIN as the case may be and in relation to Shares that may from time to time be entered in the Register with that SRN or HIN.

## **2. PARTICIPATION IN THE DRP**

### **2.1 Optional Participation**

Participation in the DRP by a Shareholder is optional (at the choice of the Shareholder).

### **2.2 Eligible Shareholders**

Except as provided in clause 2.3, each Shareholder is eligible to participate in the DRP subject to:

- (a) these Rules and the Constitution;
- (b) if the Shareholder resides, or is shown in the Register as having an address, outside Australia, any applicable law of Australia or any other country; and
- (c) any limitation on shareholding in the Company or participation in the DRP imposed by any law.

### **2.3 Non Resident Shareholders**

The Board may determine that a shareholder is not eligible to participate in the DRP if the registered address of that Shareholder is in a country or place where the offer of a right to so participate would or might be unlawful, impossible or impracticable.

## **3. EXTENT OF PARTICIPATION**

### **3.1 Election to Participate**

An election to participate in the DRP may, subject to these Rules, only be made by a Shareholder giving an Election Form to the Company at the Share Registry by 5.00pm on the Record Date.

### **3.2 Extent of Participation**

Subject to these Rules, a Shareholder may participate in the DRP in respect of either:

- (a) all Shares entered in the Register in the Shareholder's name ("**Full Participation**"); or
- (b) a specific number of the Shares entered in the Register in the

Shareholder's name ("**Partial Participation**").

However, if the nominated number of Shares for participation in the DRP is greater than or equal to the number of Shares entered in the Register in the Shareholder's name at the Record Date, then the provisions of the DRP in respect of that Dividend payment will, subject to clauses 12 and 13, apply to all Shares held by the Shareholder.

### **3.3 Election to Participate**

A Shareholder must specify in an Election Form the extent to which the Shareholder wishes to participate in the DRP by specifying either:

- (a) Full Participation; or
- (b) Partial Participation.

### **3.4 Full Participation**

In the case of Full Participation, all Shares entered in the Register in the Shareholder's name at the time of commencement of Full Participation and all Shares subsequently entered in the Register in the Shareholder's name are subject to the DRP.

### **3.5 Partial Participation**

In the case of Partial Participation, the only Shares entered in the Register in the Shareholder's name which are subject to the DRP are the number of Shares specified by the Shareholder for participation in the DRP in accordance with clause 3.2(b) or a relevant Variation Notice.

### **3.6 Deemed Full Participation**

An Election Form which does not specify the extent of participation in the DRP will be deemed to be for Full Participation and the Company will not be liable to a Shareholder for any loss, damage or claim in respect of that Shareholder's Participation as a result of the operation of this provision.

### **3.7 Bonus Share Plan – Effect on DRP Participation**

If a BSP is also in operation, subject to the rules of the BSP:

- (a) a Shareholder may, in respect of Shares entered in the Register in the Shareholder's name, elect partial participation in both the DRP and the BSP but Shares participating in the BSP cannot simultaneously participate in the DRP; and
- (b) if a Shareholder elects to participate in both the DRP and BSP to such an extent that the aggregate number of Shares nominated to participate in both the DRP and BSP is greater than the number of Shares entered in the Register in the Shareholder's name at the Record Date, the Company may, without notice to the Shareholder and at the discretion of the Company, reject the Election Form or may determine the extent of participation of the Shareholder in the DRP and BSP in such way as the Company, in its discretion, deems fit. The Company shall not be liable to the Shareholder for any loss, damage or claim in respect of that Shareholder's participation in either or both of the DRP or BSP as a result of the operation of this provision.

## **4. OPERATION OF DRP**

### **4.1 Commencement of DRP**

The DRP shall commence to operate on the date on which the DRP is approved by an ordinary resolution of Shareholders.

### **4.2 Application of DRP**

The DRP will operate in respect of each Dividend determined or paid by the Company after the date referred to in clause 4.1 unless otherwise determined by the Board from time to time.

### **4.3 Application of Relevant Dividend**

The amount of the relevant Dividend to which the DRP applies, payable to a Participant as determined by the Board (less any deductions or withholdings required by law in which case clause 6.2 applies and subject to any liens or charges the Company has over any part of a Dividend) (the "**Distribution Amount**") must be applied by the Company on the Participant's behalf in subscribing for, and the Company must issue to the Participant, the number of Shares ("**S**") determined in accordance with the following formula:

$S = DA \text{ divided by } F \text{ or } M \text{ (as the case may be)}$

Where:

DA is the amount in dollars of the Distribution Amount;

F is the Fixed DRP Price in dollars per Share for the relevant Dividend or, if there is no Fixed DRP Price for the relevant Dividend, F is equal to M; and

M is the amount in dollars per Share of the Market Price reduced by the discount (as determined by the Board from time to time in its absolute discretion and announced to ASX prior to or on the day a Dividend is declared by the Board) subject to any maximum and/or minimum price (if applicable, as determined by the Board from time to time in its absolute discretion and announced to ASX prior to or on the day a Dividend is declared by the Board).

Notwithstanding the formula in this clause, the Board in its absolute discretion may determine the maximum number of additional Shares which can be acquired with the Distribution Amount by each Participant. In that case, the balance of the Distribution Amount which has not been applied in subscribing for additional Shares will be paid to the relevant Participant in money.

#### **4.4 Whole Number**

If any number or amount determined in accordance with the formula in clause 4.3 is not a whole number or amount, that number or amount is to be rounded down to the nearest whole number in the case of “S” and rounded to the nearest 0.5 cent in the case of “M”.

#### **4.5 Full Payment of Dividend**

Where a Dividend in relation to which the DRP applies is dealt with by the Company in accordance with clause 4.3, that action constitutes full and final payment by the Company of the relevant Dividend to the relevant shareholder.

#### **4.6 Less Than One Share**

Clause 4.3 does not apply in respect of a Participant where the number determined in accordance with the formula in clause 4.3 is less than one, in which case no Shares are to be issued under the DRP to that Participant and the Participant is to be paid the Distribution Amount in money.

### **5. SHARES ISSUED UNDER THE DRP**

Shares issued under the DRP to a Participant:

- (a) must be issued in accordance with the Constitution;
- (b) rank equally in all respects with existing DRP Participating Shares of the same class; and
- (c) must be entered in the same part of the Register as the part in which the Participant’s DRP Participating Shares are entered at the time of the issue.

### **6. COSTS TO PARTICIPANTS**

#### **6.1 Transaction Costs**

Except to the extent required by law (in which case clause 6.2 applies), no brokerage, commission, stamp duty or other transaction costs will be payable by a Participant in

respect of any issue of Shares under the DRP.

#### **6.2 Deduction of Costs**

Where any law requires on any occasion the payment of any amount in respect of an issue of Shares to a Participant under the DRP, that amount is to be deducted from the sum that would, but for the Participation of the Participant, be available for payment to the Participant and paid by the Company as required by that law.

### **7. STATEMENTS TO PARTICIPANTS**

After each issue made under clause 4.3, the Company must forward to each Participant a statement detailing, as at the date of that issue:

- (a) the number of the Participant’s DRP Participating Shares at the relevant Record Date based on elections received by the DRP Election Date;
- (b) the amount of the Distribution Amount;
- (c) the amount of any deductions made under clause 6.2 in respect of that issue; and
- (d) the number of Shares issued under the DRP by that issue.

### **8. VARIATION OR TERMINATION OF PARTICIPATION**

#### **8.1 Variation or Termination of Participation**

Subject to clause 9, a Participant may by giving a Variation Notice to the Company prior to the DRP Election Date:

- (a) increase or decrease the number of the Participant’s DRP Participating Shares; or
- (b) terminate the Participant’s Participation in the DRP.

## **8.2 Death or Bankruptcy of Participant**

If a Participant dies or becomes bankrupt, Participation by the Participant and any other Participants with whom the deceased or bankrupt was a joint Participant terminates with effect from the time the Company receives notice of the death or bankruptcy of that Participant as the case may be.

## **9. TRANSFER OF DRP PARTICIPATING SHARES**

### **9.1 Transfer of All Shares**

Where a Participant transfers all of the Participant's Shares, the Participant is treated as having given notice to the Company to terminate Participation in the DRP on the last date when the Company registered the relevant transfer or instrument of disposal of the Participant's Shares.

### **9.2 Transfer of Some Shares**

Where a Participant transfers some of the Participant's Shares, the Shares so transferred are taken to comprise:

- (a) first, Shares which are Non-Participating Shares of that Participant (if any) and which are not participating in the BSP (if applicable);
- (b) secondly, to the extent that the number of Shares referred to in clause 9.2 (a) is insufficient to make up the full parcel of Shares transferred, DRP Participating Shares of that Participant; and
- (c) thirdly, to the extent that the number of Shares referred to in clauses 9.2 (a) and (b) is insufficient to make up the full parcel of Shares transferred, Shares of that Participant participating in the BSP (if applicable).

### **9.3 Different Priority**

Where a Participant transfers some of the Participant's Shares, and wishes those Shares to be comprised other than as specified in clause 9.2, the Participant may deliver a notice to the Company which specifies that particular Shares shall be the

subject of a particular transfer. Such a notice shall not however be of any effect unless:

- (a) it is received by the Company prior to the registration of the transfer to which the notice relates;
- (b) it provides details sufficient to identify the transfer to which the notice relates including, but not limited to, the date on which any relevant instrument of transfer was executed and the number of Shares concerned;
- (c) it identifies the number of Shares (if any) participating in the DRP and the BSP (as the case may be if applicable) which are to be the subject of the transfer; and
- (d) it is signed by or on behalf of the Shareholder in such manner as the Company may require.

### **9.4 Cessation of Participation**

A DRP Participating Share shall not cease to be a DRP Participating Share pursuant to a transfer unless or until the transfer has been registered in accordance with the Constitution and any other relevant legal requirements.

## **10. ELECTION AND NOTICES**

### **10.1 Form**

Election Forms, Variation Notices and notices referred to in clause 9.3 must be in writing and must be in the form prescribed or approved by the Board from time to time.

### **10.2 Effectiveness of Notices**

Notices under these Rules (including, without limitation, Election Forms, Variation Notices and notices referred to in clause 9.3) will be effective on receipt by the Company at the Share Registry subject to:

- (a) these Rules;
- (b) in the case of Election Forms, Variation Notices or notices referred to in clause 9.3:

- (i) approval by the Board which may be withheld in any case (in its absolute discretion);
- (ii) the appropriate entry having been made in the Register in respect of the DRP Participating Shares to which the Election Form, Variation Notice or notice referred to in clause 9.3 relates to record the Participation of the Participant in the DRP, or the variation of the Participation of the Participant in the DRP or the transfer (as the case requires);
- (iii) receipt by the Company by not later than 5.00pm on the relevant DRP Election Date for the particular Dividend to which the DRP applies; and
- (iv) any other restrictions as to the period of notice which the Board may impose from time to time.

### **10.3 Time Takes Effect**

Where an Election Form, Variation Notice or notice referred to in clause 9.3 has been approved and the appropriate entry has been made in the Register, the Election Form, Variation Notice or notice referred to in clause 9.3 shall take effect as from the time at which the entry was made.

### **10.4 Approval**

Approval of an Election Form, Variation Notice or notice referred to in clause 9.3 may be withheld in any case at the absolute discretion of the Board, including, without limitation, if the Board has determined that approval of that Election Form, Variation Notice or notice referred to in clause 9.3 would prejudice the effective operation of the DRP or otherwise be contrary to law or equity.

### **10.5 Notice by Transferee or Transmittee**

An Election Form, Variation Notice or notice under clause 9.3 given by a transferee or transmittee of Shares may be treated by the

Company as an effective notice for the purposes of these Rules notwithstanding that the Shares were not registered in the name of the transferee or transmittee at the time the Election Form, Variation Notice or notice under clause 9.3 was given.

### **10.6 Invalid Notices**

The Company is under no obligation to correct invalid Election Forms, Variation Notices or notices under clause 9.3 on behalf of Shareholders.

### **10.7 Notice by Company**

A notice required by these Rules to be given to Shareholders may be served on Shareholders at such time as the Board thinks fit by:

- (a) dispatch of the notice in writing to each Shareholder (in which case the date on which notice is deemed to be served on Shareholders shall be the Business Day after the day on which the notice was posted); or
- (b) public announcement of the notice to ASX (in which case the date on which the notice is deemed to be served on Shareholders shall be the date on which the notice is first announced to ASX); or
- (c) both the methods specified in paragraphs (a) and (b) immediately above (in which case the date on which the notice is deemed to be served on Shareholders shall be the date on which the notice is first announced to ASX).

## **11. STOCK EXCHANGE LISTING**

While Shares in the Company are granted official quotation by ASX, the Company must apply for official quotation by ASX of Shares issued under the DRP.

## **12. SUSPENSION AND RECOMMENCEMENT OF DRP**

### **12.1 Suspension**

The Board in its absolute discretion may suspend the operation of the DRP at any time by notice to Shareholders.

### **12.2 Period of Suspension**

Suspension of the DRP shall take effect on and from the day the notice to suspend the DRP becomes effective pursuant to these Rules and shall continue until such time as a notice to recommence or terminate the DRP becomes effective pursuant to these Rules.

### **12.3 Effect of Suspension**

As at the date of suspension and subject to clause 12.5, any Shares which may have been DRP Participating Shares immediately prior to that time shall cease to participate in the DRP and shall accordingly cease to be DRP Participating Shares, notwithstanding the entries which may appear in the Register on that date. During the period of the suspension of the DRP, no Shares in the Company shall participate in the DRP, and no Shares shall be DRP Participating Shares for the purposes of these Rules, notwithstanding the entries which may appear in the Register from time to time.

### **12.4 Recommencement**

The Board in its absolute discretion may recommence the operation of the suspended DRP at any time on such conditions as it thinks fit by notice to Shareholders. Recommencement of the DRP shall take effect on and from the day the notice to recommence the DRP becomes effective pursuant to these Rules.

### **12.5 Effect of Recommencement**

As at the date of any recommencement of the DRP, any Shares on the Register at that date which would have been DRP Participating Shares but for the operation of clause 12.3 shall become DRP Participating Shares, provided notice is given to Shareholders.

## **13. VARIATION, MODIFICATION AND TERMINATION OF THE DRP**

### **13.1 Variation, Modification and Termination of DRP**

The DRP may be varied, modified or terminated by the Board at any time in its absolute discretion by notice to Shareholders. The variation, modification or termination of the DRP shall take effect on and from the day the notice to vary, modify or terminate the DRP becomes effective pursuant to these Rules.

### **13.2 Effect of Variation and Modification**

A Participant will be taken to continue to participate in the DRP as varied or modified unless the Company is notified to the contrary by the Participant giving the Company an Election Form or Variation Notice.

## **14. GENERAL**

### **14.1 Dispute Resolution**

The Board may settle, in the manner it considers appropriate, any difficulties, anomalies or disputes which may arise in connection with, or by reason of the DRP (or its operation) whether generally or in relation to any Participant or any Shares and the decision of the Board is conclusive and binding on all Participants and other persons to whom the decision relates.

### **14.2 Entries Conclusive**

Subject to clause 12, the entries which have been made in the Register in respect of a Participant at any time pursuant to these Rules shall be conclusive in determining whether or not a Share is a DRP Participating Share and whether the holder of the Share at that time has the corresponding rights which attach under these Rules to a DRP Participating Share.



### **14.3 Errors in Register**

Neither the Company nor any of its officers, employees or advisers shall be liable in any way whatsoever to Shareholders for errors or omissions in the making of entries in the Register pursuant to these Rules or in the administration of the DRP.

### **14.4 Omission to Give Notice**

The accidental omission to give notice of re-commencement, variation, modification, suspension or termination or the non-receipt of any notice by any Shareholder shall not invalidate the re-commencement, variation, modification, suspension or termination of the DRP.

### **14.5 Taxation**

The Company takes no responsibility for the taxation liabilities or arrangements of Shareholders and Participants and as individual circumstances may vary considerably, Shareholders and Participants should obtain their own specific taxation advice with respect to the DRP.

### **14.6 Waive Compliance**

The Board reserves the right to waive strict compliance with any of the provisions of these Rules.

### **14.7 Governing Law**

The DRP and its operations and the terms and conditions set out in these Rules shall be governed by the laws of New South Wales.