

18 February 2014

Manager Company Announcements  
Australian Securities Exchange  
Level 4  
20 Bridge Street  
SYDNEY NSW 2000

Market Information Services  
New Zealand Exchange Limited  
Level 2, NZX Centre  
11 Cable Street  
Wellington, New Zealand

Dear Sir/Madam

## **Reinstatement of DRP Dividend Reinvestment Program**

Pacific Brands Limited (**Company**) announced today that it would be paying a dividend of 2.0 cents per ordinary share on 2 April 2014 (**Next Dividend**) to all shareholders at the Record Date of 10 March 2014.

The Company announced that the Directors have decided to amend the rules of the Company's Dividend Reinvestment Plan (**DRP**) and to reinstate the DRP to commence operation in time for the payment of the Next Dividend.

Any shareholder who wishes to participate in the DRP for the Next Dividend must lodge an election form with the Company's share registry by the Election Date of 11 March 2014. The Directors have determined that all previous election forms have lapsed and will not apply to this dividend.

Pursuant to Listing Rule 3.10.8, attached are the following documents which outline the terms of the Company's DRP:

- a copy of the amended DRP rules; and
- a DRP explanatory booklet.

Pursuant to Listing Rule 3.17.1, also attached are the following documents which will be sent to the Company's shareholders regarding the DRP:

- a letter to shareholders regarding the reinstatement of the DRP;
- a summary of the DRP; and
- a DRP election form.

Further information regarding the Next Dividend and the DRP is provided in the Company's half-year report for the period ending 31 December 2013.

Yours faithfully



**John Grover**  
**Company Secretary**  
**Pacific Brands Limited**

# **Pacific Brands Limited**

ACN 106 773 059

## **Dividend Reinvestment Plan Rules**

(Amended and Restated 17 February 2013)

---

## Table of contents

<i>Clause</i>		<i>Page</i>
1	<b>Definitions and interpretation</b>	<b>1</b>
2	<b>Eligibility to participate</b>	<b>3</b>
3	<b>Application to participate and extent of participation</b>	<b>4</b>
4	<b>Minimum Participating Holding and Maximum Participating Holding</b>	<b>5</b>
5	<b>Acceptance and effectiveness of applications</b>	<b>6</b>
6	<b>The effect of applying for participation</b>	<b>6</b>
7	<b>Reinvestment of Dividends</b>	<b>7</b>
8	<b>Allocation of Shares</b>	<b>7</b>
9	<b>DRP statements</b>	<b>8</b>
10	<b>Variation or termination of participation</b>	<b>8</b>
11	<b>Reduction or termination of participation where no notice is given</b>	<b>9</b>
12	<b>Variation, suspension and termination of the DRP or these Rules</b>	<b>9</b>
13	<b>Costs to Participants</b>	<b>9</b>
14	<b>Applications and other notices</b>	<b>10</b>
15	<b>General</b>	<b>10</b>

# Pacific Brands Limited

ACN 106 773 059

## DIVIDEND REINVESTMENT PLAN RULES

---

### 1 Definitions and interpretation

1.1 In these Rules, unless the context otherwise requires:

**Allocation** means:

- (a) the issue of new Shares to Participants under the DRP; or
- (b) the transfer of Shares acquired in the market for the purposes of the DRP to Participants under the DRP,

as the case may be.

**Allocation Price** means the price at which Shares will be Allocated under the DRP calculated in accordance with rule 7.2, as adjusted by the Board in its absolute discretion.

**ASX** means ASX Limited (ABN 98 008 624 691) or the stock market operated by ASX Limited (as the case may be).

**Average Market Price** during a period means an amount which is either (as determined by the Board in its sole discretion):

- (a) the weighted average market price of all Shares sold on the ASX automated trading system during that period; or
- (b) the arithmetic average of the daily weighted average market price (rounded to the nearest cent) of all Shares sold on the ASX automated trading system for each day during that period.

When calculating the Average Market Price, the Board will exclude trades otherwise than in the ordinary course of trading (including any transaction defined in the ASX Market Rules as 'special', crossings prior to the commencement of normal trading, crossings during the closing phase and the after hours phase, exercises of options over Shares, any overnight crossings and any other sales which the Board considers may not be fairly reflective of natural supply and demand). This amount may also be adjusted as the Board in its sole discretion determines, to take account of the fact that allocations of Shares under the DRP may occur by issue, purchase, or a combination of issue and purchase, and consequently, it is necessary to ensure that to the extent reasonably possible, the calculation of Participants' entitlements is unaffected by the method of allocation.

**Board** means the board of directors of Pacific Brands.

**Discount** means the percentage discount (if any) determined by the Board from time to time to be applied in calculating the Allocation Price per Share under rule 7.2.

**Dividend** means any dividend announced and payable by Pacific Brands.

**Dividend Payment** for a Shareholder means the Dividend multiplied by the number of Shares held by that Shareholder as at the relevant Dividend Record

Date, less any withholding tax or any other amounts Pacific Brands is entitled or required to deduct from the payment.

**Dividend Payment Date** means the date on which the Dividend is payable, as announced by Pacific Brands.

**Dividend Record Date** means the date and time, as determined by the Board, at which a person holds or is taken to hold Shares for the purpose of determining the entitlement of Shareholders to Dividends.

**DRP** means the Pacific Brands dividend reinvestment plan constituted under these Rules, as varied from time to time.

**Eligible Shareholder** has the meaning given in rule 2.

**Full Participation** means a degree of participation in the DRP under which all of a Participant's Shares from time to time (subject to the Maximum Participating Holding (if any)), including Shares subsequently acquired by the Participant, are Participating Shares.

**Listing Rules** means the listing rules of the ASX as they apply to Pacific Brands from time to time.

**Maximum Participating Holding** means the number of Shares (if any) determined by the Board from time to time under rule 4.2.

**Minimum Participating Holding** means the number of Shares (if any) determined by the Board from time to time under rule 4.1.

**Notice of Election** means the form relating to the DRP used to apply for participation in the DRP, approved by the Board from time to time.

**NZX** means NZX Limited or the stock market operated by NZX Limited (as the case may be).

**Pacific Brands** means Pacific Brands Limited (ACN 106 773 059).

**Partial Participation** means a degree of participation in the DRP relating to less than a Shareholder's full holding of Shares (or less than the Maximum Participating Holding (if any)) are Participating Shares.

**Participating Shares** means Shares which a Participant has validly specified for participation in the DRP or which are otherwise taken under these Rules to participate in the DRP.

**Participant** means a Shareholder some or all of whose Shares are Participating Shares.

**Pricing Period** means such period as the Board may determine from time to time, being a period of not less than 5 Trading Days commencing on such date as the Board may determine.

**Related Body Corporate** has the same meaning as in section 50 of the Corporations Act.

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

**Shares** means fully paid ordinary shares in the capital of Pacific Brands.

**Shareholder** means a registered holder of Shares.

**Trading Day** means a full day on which Shares are quoted, and not suspended from quotation or made subject to a trading halt on ASX or NZX.

**Variation/Termination Notice** means the form relating to the DRP used to vary or terminate a Shareholder's participation in the DRP, approved by the Board from time to time.

1.2 In these Rules headings are for convenience only and do not affect interpretation and:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined have a corresponding meaning; and
- (d) any reference in these Rules to any enactment, part of an enactment or the Listing Rules includes a reference to that enactment, part or those Listing Rules as from time to time amended, consolidated, re-enacted or replaced and, in the case of an enactment, all regulations and statutory instruments issued under it.

1.3 The Board may from time to time determine that:

- (a) for the purpose of determining who may participate in the DRP, "Share", in addition to its meaning in clause 1.1, includes any other security, including convertible securities and debt instruments, issued by Pacific Brands or a Related Body Corporate of Pacific Brands; and
- (b) for the purpose of determining what may be reinvested under the DRP, "Dividend", in addition to its meaning in clause 1.1, includes any interest or other distribution in relation to any security that the Board determines may participate in the DRP in accordance with clause 1.3(a).

---

## 2 Eligibility to participate

2.1 Participation in the DRP by Eligible Shareholders:

- (a) is optional and voluntary;
- (b) is not transferable; and
- (c) may be varied or terminated at any time in accordance with rule 10.

2.2 Subject to rules 2.3 and 2.4, an Eligible Shareholder is, in respect of a particular Dividend Record Date, a Shareholder who, at that Dividend Record Date, was recorded as a registered holder of at least the Minimum Participating Holding (if any) and whose address in Pacific Brands' share register:

- (a) is in Australia or New Zealand; or
- (b) is in a jurisdiction in which the Board is satisfied that the offer and issue or transfer of Shares under the DRP is lawful and practicable,

provided that the Board may determine that a Shareholder, or a class of Shareholders, are not Eligible Shareholders if they are, or hold Shares on behalf of

other persons who are, resident outside the jurisdictions mentioned in paragraphs (a) and (b) above.

- 2.3 The Board has the discretion to refuse to accept any person's Shares for participation in the DRP and to suspend or withdraw any person's Shares from participation if the Board considers that the participation of those Shares might lead to:
- (a) foreign persons or associates of foreign persons acquiring a substantial interest or an aggregate substantial interest in Pacific Brands for the purposes of Foreign Acquisitions and Takeovers Act 1975 (Cth); or
  - (b) a person acquiring a relevant interest in issued voting shares of Pacific Brands that would result in that person's or someone else's voting power contravening Chapter 6 of the Corporations Act.
- 2.4 The Board is entitled to make a final determination as to whether any particular Shareholder is an Eligible Shareholder within the terms of these Rules or not, and to change any such determination, as and when it sees fit. In making this determination, the Board may consider, among other things, whether such participation would or may be impracticable, impossible or illegal and any actual or anticipated inconvenience or expense in allowing, or investigating the possibility of allowing, such participation.
- 2.5 If an Eligible Shareholder has more than 1 holding of Shares and wishes to participate in the DRP with respect to 1 or more such holdings, a Notice of Election must be lodged with respect to each separate shareholding that is to participate.
- 2.6 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 1 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 DRP with respect to the Shares jointly held.

---

### **3 Application to participate and extent of participation**

- 3.1 Application to participate in the DRP must be made on a Notice of Election. Upon receipt by the share registry of a duly completed and executed Notice of Election from an Eligible Shareholder, that Shareholder's participation commences from the next Dividend Record Date.
- 3.2 A Notice of Election must specify whether the Shareholder has elected Full Participation or Partial Participation, and if Partial Participation is indicated, the Notice of Election must clearly specify the number of Shares that are to be Participating Shares.
- 3.3 Where a Shareholder elects Partial Participation, if at the relevant Dividend Record Date the number of Shares held by the Participant is less than the specified number of Shares, the DRP applies to the lesser number of Shares. Where a Shareholder is a partial Participant, Shares in excess of the number specified as participating that are subsequently acquired by that Shareholder (whether under the DRP or otherwise), will not participate in the DRP unless that Shareholder alters the participation level in accordance with rule 10. This means that where the Shareholder has disposed of Shares and then acquired more Shares, newly acquired Shares will participate up to the number originally specified.

- 3.4 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.
- 3.5 If a shareholding account appearing in Pacific Brands' register of members relates to a broker's clearing account, or a trustee or nominee, and the broker, trustee or nominee notifies Pacific Brands that the relevant Shares are held for a number of different persons and specifies the number of Shares held for each of such persons as at a particular Dividend Record Date (although the names of such persons need not be specified), then the Board may determine that each such holding shall, as at that Dividend Record Date, be taken to represent a separate Shareholder for the purpose of the Minimum Participating Holding (if any) and the Maximum Participating Holding (if any), and these Rules will be read and interpreted accordingly.

---

## **4 Minimum Participating Holding and Maximum Participating Holding**

- 4.1 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.
- 4.2 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.
- 4.3 To the extent that a Notice of Election has specified a number of Participating Shares in excess of the prevailing Maximum Participating Holding (including an election of Full Participation where the number of Participating Shares would otherwise exceed that limit), for so long as that limit applies:
- (a) the number of Participating Shares for that Participant for the purposes of these Rules is deemed to be that limit; and
  - (b) any Shares specified in the Notice of Election as Participating Shares in excess of that limit (including an election of Full Participation where the number of Participating Shares would otherwise exceed that limit) are deemed not to be Participating Shares, and any Dividend payable in respect of them will be paid by Pacific Brands in accordance with its usual arrangements for the payment of Dividends.
- 4.4 To the extent that a Notice of Election has specified a number of Participating Shares less than a prevailing Minimum Participating Holding (including an election of Full Participation where the number of Participating Shares would otherwise be less than that limit), for so long as that limit applies:
- (a) the number of Participating Shares for that Participant for the purposes of these Rules is deemed to be zero; and
  - (b) any Shares specified in the Notice of Election as Participating Shares less than that limit (including an election of Full Participation where the number of Participating Shares would otherwise be less than that limit) are deemed not to be Participating Shares, and any Dividend payable in respect of them will be paid by Pacific Brands in accordance with its usual arrangements for the payment of Dividends.



---

## 5 Acceptance and effectiveness of applications

- 5.1 Subject to rules 2.2 and 5.2, a Notice of Election validly submitted or otherwise accepted by the Board is effective:
- (a) from the date the Notice of Election is received by the share registry;
  - (b) in respect of a Dividend, only if it is received on or prior to the relevant Dividend Record Date;
  - (c) until:
    - (1) the Participant varies or terminates participation in the DRP pursuant to these Rules; or
    - (2) termination of the DRP; and
  - (d) until the Participant ceases to be an Eligible Shareholder. The form will become effective again if and at such time as the Shareholder recommences to be an Eligible Shareholder.
- 5.2 The Board may:
- (a) accept or reject a Notice of Election which is not properly completed or signed; and
  - (b) correct any error in, or omission from, a Notice of Election, prior to acceptance under rule 5.2(a).

---

## 6 The effect of applying for participation

- 6.1 By applying to participate in the DRP, the Shareholder:
- (a) warrants to Pacific Brands that it is an Eligible Shareholder;
  - (b) authorises Pacific Brands (and its officers or agents) to correct any error in, or omission from, its Notice of Election or any later Variation/Termination Notice;
  - (c) acknowledges that Pacific Brands may at any time irrevocably determine that the applicant's Notice of Election is valid, in accordance with these Rules, even if the Notice of Election is incomplete, contains errors or is otherwise defective;
  - (d) acknowledges that Pacific Brands may reject any Notice of Election;
  - (e) agrees to the appointment of a nominee by Pacific Brands as the Participant's agent to acquire Shares on market, where Pacific Brands decides to acquire existing Shares in accordance with rule 9;
  - (f) acknowledges that neither Pacific Brands nor the share registry has provided the applicant with investment advice or financial product advice concerning its decision to apply to participate in the DRP and that neither has any obligation to provide this advice; and
  - (g) unconditionally agrees to the Rules and agrees not to do any act or thing which would be contrary to the spirit, intention or purpose of the DRP,

in each case, at all times until termination of the DRP or of the Participant's participation in the DRP.

---

## **7 Reinvestment of Dividends**

- 7.1 Pacific Brands will establish and maintain a DRP account for each Participant. Pacific Brands will in respect of each Dividend payable to a Participant:
- (a) determine the Dividend Payment in respect of that Participant's Participating Shares;
  - (b) credit the amount in rule 7.1(a) to the Participant's DRP account, and that payment constitutes payment of the Dividend on the Participant's Participating Shares;
  - (c) determine the maximum whole number of additional Shares which may be acquired under the DRP at the Allocation Price by dividing the amount in the Participant's DRP account by the Allocation Price and rounding that number down to the nearest whole number;
  - (d) on behalf and in the name of the Participant, subscribe for or purchase the number of Shares determined under rule 7.1(c) and debit the Participant's DRP account with the total of the price for the Allocated Shares; and
  - (e) retain in the Participant's DRP account, without interest and on the terms set out in these Rules, any cash balance remaining (rounded down to the nearest cent) unless and until the cash balance is applied in accordance with these Rules.
- 7.2 Shares are Allocated under the DRP at the Allocation Price which is the Average Market Price during the Pricing Period, less the Discount (if any) determined by the Board, rounded to the nearest cent. The determination by the Board of the Allocation Price is binding on all Participants.
- 7.3 Subject to rule 7.4, a residual balance in a Participant's DRP account will be aggregated with any further Dividend Payment credited to the DRP account.
- 7.4 Where:
- (a) the DRP is suspended or terminated by Pacific Brands pursuant to these Rules; or
  - (b) the Participant ceases to participate in the DRP for whatever reason,
- any residual positive balance in the Participant's DRP account at that time will be paid to the Participant.
- 7.5 No interest will accrue to a Participant in relation to any residual balance in the Participant's DRP account.

---

## **8 Allocation of Shares**

- 8.1 All Shares newly issued under the DRP will, from the date of Allocation, rank equally in all respects with existing Shares unless the Board determines that they

are not to participate in any offer of Shares open when the Shares are issued under the DRP.

- 8.2 Shares will be Allocated within the time required by ASX.
- 8.3 Shares Allocated pursuant to the DRP will be registered on the share register on which the Participant already holds Shares or if the Participant holds Shares on more than 1 share register, on the share register which Pacific Brands determines.
- 8.4 Pacific Brands will make application promptly after each Allocation of newly issued Shares for quotation of those Shares on ASX if the Participant holds Shares listed on ASX or if the Participant holds Shares listed on NZX, Pacific Brands will ensure that those shares are quoted on NZX.

---

## 9 DRP statements

On, or as soon as practicable after, each Dividend Payment Date, Pacific Brands must forward to each Participant a statement in a form determined by the Board that may include, for example:

- (a) the number of the Participant's Participating Shares as at the relevant Dividend Record Date;
- (b) the amount of the relevant Dividend Payment in respect of the Participant's Participating Shares (including any amounts deducted from the dividend payable);
- (c) the number of Shares Allocated to the Participant under these Rules and the date of Allocation of those Shares;
- (d) the Participant's total holding of Shares after Allocation;
- (e) the Allocation Price of each Share Allocated to the Participant;
- (f) the franked amount (if any) of the Dividend Payment and the franking credit (if any) attached to the Dividend;
- (g) the imputation credits (if any) attached to the Dividend; and
- (h) any other matters required by law to be included.

---

## 10 Variation or termination of participation

10.1 A Participant may at any time give a Variation/Termination Notice:

- (a) increasing or decreasing the number of Shares participating in the DRP; or
- (b) terminating participation in the DRP.

The alteration or termination takes effect in accordance with rule 14.2.

10.2 If a Participant dies, participation in the DRP terminates upon receipt by Pacific Brands of written notice of the death. If a Participant is declared bankrupt or is wound-up, participation in the DRP terminates upon receipt by Pacific Brands of a notification of bankruptcy or winding-up from the Participant or the Participant's trustee in bankruptcy or liquidator, as the case may be. The death, bankruptcy or winding-up of 1 or more joint holders does not automatically

terminate participation provided the remaining holder or all remaining joint holders are Eligible Shareholders.

---

## **11 Reduction or termination of participation where no notice is given**

- 11.1 Where all of a Participant's Shares are Participating Shares and the Participant disposes of some only of those Shares, then subject to rule 10.1, the remaining Shares held by the Participant continue to be Participating Shares.
- 11.2 Where some only of a Participant's Shares are Participating Shares and the Participant disposes of part of the Participant's total shareholding, then the Shares disposed of are deemed not to be Participating Shares. If the number of Shares disposed of is more than the number of the Participant's Shares not participating in the DRP, the disposal is deemed to include all the Participant's shareholding not participating in the DRP, and the balance (if any) will be attributed to Participating Shares.
- 11.3 Where a Participant disposes of all its Shares, the Participant is deemed to have terminated participation in the DRP with respect to the shareholding on the date Pacific Brands registered a transfer or instrument of disposal of the Participant's holding.

---

## **12 Variation, suspension and termination of the DRP or these Rules**

- 12.1 The DRP or these Rules may be varied, suspended or terminated by the Board at any time by notification on Pacific Brands' website and by notice to ASX and NZX.
- 12.2 The variation, suspension or termination takes effect upon the date specified by the Board and the variation, suspension or termination does not give rise to any liability on the part of, or right or action against, the Board of Pacific Brands or its officers, employees or agents.
- 12.3 If the DRP or these Rules are varied, a Participant continues to participate under the DRP and these Rules in their varied form unless the Participant terminates its participation in the DRP by submitting a Variation/Termination Notice in accordance with these Rules.
- 12.4 If the DRP is suspended, an election as to participation in the DRP will also be suspended and all Shares are deemed to be non-Participating Shares for the purpose of any Dividend paid while the DRP is suspended. Upon reinstatement of the DRP, all prior elections are reinstated subject to any Variation/Termination Notice validly given by the Shareholder prior to the next Dividend Record Date after the reinstatement of the DRP.

---

## **13 Costs to Participants**

To the extent permitted by law, Pacific Brands will pay brokerage, commission, and other transaction costs in respect of Shares Allocated under the DRP

including any stamp or other duties payable, by Participants in respect of Shares Allocated under the DRP.

---

## 14 Applications and other notices

- 14.1 Applications and notices to Pacific Brands must be in writing or otherwise in accordance with the notices set out in these Rules or prescribed by the Board from time to time.
- 14.2 Applications and notices are effective upon receipt by Pacific Brands via the share registry subject to:
- (a) these Rules;
  - (b) notwithstanding anything else in these Rules, acceptance by the Board or in accordance with policy set by the Board from time to time; and
  - (c) receipt by Pacific Brands via the share registry before the relevant Dividend Record Date.

Applications or notices received after a Dividend Record Date are not effective in respect of that Dividend but are effective from the next relevant Dividend Record Date.

- 14.3 Pacific Brands will announce the Pricing Period and the Discount (if any) applicable to the DRP for any Dividends payable on a particular Dividend Payment Date at or around the same time it announces the Dividend.
- 14.4 Where the Board makes a decision or determination pursuant to these Rules in relation to their application, such determination may be notified to Participants by notice on Pacific Brands' website and to the ASX and NZX.
- 14.5 The Board may determine that Eligible Shareholders may lodge a Notice of Election electronically either through Pacific Brands' website or that of an authorised third party. Any Notice of Election lodged electronically must comply with the applicable terms and conditions of the electronic lodgement facility.
- 14.6 The accidental omission by Pacific Brands or the Board to give any notice under these Rules to any Shareholder, ASX, NZX or any other person will not invalidate any act, matter or thing.

---

## 15 General

- 15.1 Pacific Brands will record, with respect to each Participant:
- (a) the name and address of the Participant (being the name and address in Pacific Brands' register of members, from time to time); and
  - (b) the number of Participating Shares held by the Participant from time to time.

Pacific Brands' records are conclusive evidence of the matters recorded in them.

- 15.2 The Board may delegate any of its powers, discretions or functions under these Rules to any person including the share registry.

- 15.3 Any Dividend payable on Participating Shares which Pacific Brands is entitled to retain as a result of a charge or lien in favour of Pacific Brands in accordance with the constitution of Pacific Brands, or other requirement of law, is not available for the purpose of participating in the DRP.
- 15.4 Subject to the constitution of Pacific Brands the Board may:
- (a) implement the DRP in the manner the Board thinks fit; and
  - (b) settle any difficulty, anomaly or dispute which may arise either generally or in a particular case in connection with, or by reason of, the operation of the DRP or these Rules as the Board thinks fit, whether generally or in relation to any Shareholder or DRP account or any Shares, and the determination of the Board is conclusive and binding on all relevant Shareholders and other persons to whom the determination relates.
- 15.5 Neither Pacific Brands nor any officer, employee, agent or adviser of Pacific Brands is 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 any one or more of:
- (a) the establishment or operation of the DRP;
  - (b) participation in the DRP; or
  - (c) any advice given with respect to participation in the DRP by any person.
- 15.6 The Board may delegate any power or discretion conferred on it by these Rules to any person or persons.
- 15.7 The DRP, its operation and these Rules are governed by the laws of the State of Victoria and each Shareholder submits to the jurisdiction of the Courts of that State and the Courts which may hear appeals from those Courts.
- 15.8 Despite anything else in these Rules, the Listing Rules prevail to the extent of any inconsistency with these Rules.

**Pacific Brands Limited**  
**Dividend Reinvestment Plan**

**SHAREHOLDER BOOKLET**

---

**Summary of the Plan**

**What is the Plan?**

The Plan enables you, as a shareholder in Pacific Brands Limited (the **Company**) to reinvest all or part of any dividend paid on your shares in additional Pacific Brands shares instead of receiving that dividend in cash.

Your participation in the Plan is entirely optional.

If you elect to reinvest your dividends, additional shares will be allocated to you immediately following the date for payment of that dividend. You will receive a dividend notice setting out the number of shares allocated to you, the price per share and other information relevant to the dividend.

**Am I eligible to participate?**

All Australian and New Zealand resident holders of fully paid ordinary shares in the Company may participate in the Plan.

If you are a shareholder with an address outside of Australia or New Zealand, you may not, at this time, participate under the Plan.

**How do I join the Plan?**

If you wish to participate in the Plan, you must complete and sign the Election Form and return it to the Company's Share Registry. If an Election Form does not accompany this booklet, please contact the Company's Share Registry:

Computershare Investor Services Pty  
Limited  
Yarra Falls, 452 Johnston Street  
Abbotsford VIC 3067  
Australia  
Phone 1300 132 632

**or** Computershare Investor Services Limited  
Level 2, 159 Hurstmere Road  
Takapuna, North Shore City  
New Zealand  
Phone 09 488 8777

In order to participate in the Plan in respect of a particular dividend, you must submit your Election Form to the Company's Share Registry on or before the first business day following the record date for that dividend (the **Election Date**). The Board may set a different date for receiving Election Forms, in which case the relevant Election Date will be notified on the Company's website [www.pacificbrands.com.au](http://www.pacificbrands.com.au) and announced to the ASX and NZX.

If your form is received after the Election Date for a particular dividend, it will not be effective until the Company's next dividend.

### **If I participate, do all my shares participate in the Plan?**

If you wish to participate in the Plan, you will complete the Election Form and return it to the Company's Share Registry.

When you complete the Election Form you have two options:

**(a) Full Participation**

If you elect *full participation*, dividends on all of your shares will be reinvested in acquiring new shares. Dividends on any shares you may acquire in the future will also be reinvested in this way.

**(b) Partial Participation**

If you elect *partial participation*, you nominate a number of your shares which participate in the Plan. Only the dividends paid on those shares that you nominate will be reinvested in acquiring new shares. You will receive cash dividends on the rest of your shares in the normal way.

If you buy more shares, those shares will **NOT** participate in the Plan unless you lodge a Notice of Variation.

If you hold less shares than the number of shares you have specified in the Election Form, then the dividends on the shares that you actually hold will be reinvested.

The Directors may, from time to time, set minimum or maximum participation limits (whether in respect of a particular dividend or dividends generally) which will limit the number of shares that you may nominate to participate in the Plan. However, at this time the Directors have not set any minimum or maximum limits.

### **What type of shares will I get under the Plan?**

You will be allocated with fully paid ordinary shares in Pacific Brands Limited under the Plan.

These additional shares may be purchased on-market or newly issued by the Company.

If new shares are allocated to you, they will be listed on the ASX or NZSX (as applicable) and will, in general, rank equally with the Company's existing shares.

### **What is the allocation price of shares under the Plan?**

Shares will be allocated to you at the "average market price" (which is either the "weighted average market price" or the "arithmetic average of the daily weighted average market price" as the Directors may determine) of the Company's shares on the ASX over a period of 5 trading days (or such longer period as the Directors may determine) around the record date.



The Directors may determine in relation to all or any dividends paid, that shares will be allocated under the Plan subject to a discount below the average market price. At this time, the Board has determined that no discount will apply.

### **How is my entitlement calculated and how are shares allocated?**

Following the payment of a dividend by the Company, the dividend payable on your participating shares (less any withholding tax) will be paid into a “DRP account” that the Company will establish for you.

The Company will then determine the maximum whole number of shares that will be allocated to you under the Plan, by dividing the amount of your dividend by the allocation price (determined as set out above).

In the case of fractional entitlements, the number of shares that you will be entitled to under the Plan will be rounded down to the nearest whole number. Any residual amounts will be held for you in your DRP account and applied in future years.

### **What record do I have of my participation in the Plan?**

After each dividend payment, you will receive a statement that details the level of your participation (ie full or partial) in the Plan, the amount and date of the dividend paid, the number of shares allocated to you under the Plan and the allocation price of those shares under the Plan. The statement will also set out information required for completion of your tax return regarding the dividend paid.

### **Can I sell shares that participate in the Plan or that are allocated to me under the Plan?**

You may sell any of your shares, at any time. This includes your participating shares in the Plan and the shares that you are allocated when your dividends are reinvested.

If you elect for ‘full participation’ and then sell some of your shares, the dividends on your remaining shares will continue to be reinvested under the Plan.

If you elect for “partial participation’ and then sell some of your shares, the number of shares sold will be deemed first to be non-participating shares and, once they are all deemed to be sold, then second participating shares under the Plan.

### **What are the taxation implications of participating?**

#### *Australian shareholders*

Dividends that are reinvested under the Plan will be assessable for income tax and will carry franking credits to the same extent as any cash dividend. Shares allocated under the Plan may be subject to either income tax or capital gains tax when you sell them.

The taxation treatment of shares and dividends under Australian law can be quite complex. These comments are general in nature only. You should seek professional taxation advice in relation to your individual circumstances.

***New Zealand shareholders***

Dividends received by New Zealand resident shareholders which are reinvested in the Plan will be taxable to the shareholder to the same extent as a cash dividend paid by Pacific Brands. The shareholder will be entitled to a credit for any Australian withholding tax deducted from the dividend and any New Zealand imputation credits attached to the dividend up to the amount of New Zealand tax otherwise payable on the dividend. Any profit derived on the sale of shares allocated under the Plan will only be subject to New Zealand tax if the shareholder is in the business of dealing in shares, if the shares were acquired for the purpose of disposal or if the shares are sold as part of a profit-making undertaking or scheme.

These comments apply to shareholders who are New Zealand residents for tax purposes and who are not transitional residents. They are general in nature only. You should seek professional taxation advice in relation to your individual circumstances.

**How do I change my participation or withdraw from the Plan?**

You may vary your level of participation in the Plan or withdraw from the Plan at any time by giving a Variation/Termination Notice to the Company's Share Registry.

You can obtain a Variation/Termination Notice by contacting the Company's Share Registry.

In order for it to be effective in respect of a particular dividend, you must submit your Variation/Termination Notice to the Company's Share Registry on or before the Election Date for that dividend (i.e. the first business day following the record date for that dividend). The Board may set a different date for receiving Variation/Termination Notices, in which case the relevant date will be notified on the Company's website [www.pacificbrands.com.au](http://www.pacificbrands.com.au) and announced to the ASX and NZX.

If your Variation/Termination Notice is received after the Election Date for a particular dividend, it will not be effective until the Company's next dividend.

**Termination of the Plan by the Directors**

The Rules of the Plan may be varied, by the Directors at any time by notice on the Company's website [www.pacificbrands.com.au](http://www.pacificbrands.com.au) and to ASX and NZX.

The Directors may also suspended or terminate the operation of the Plan at any time by notice on the website or to the exchanges.

**What happens if I exceed any maximum or minimum participation limit**

At present, the Directors have not set any maximum or minimum participation limit.

However:

- if the number of your participating shares exceed any maximum limit set by the Directors, you are deemed to have elected to participate to that limit. Any of your shares in excess of the limit will not participate in the Plan and you will receive cash dividends in the usual way in respect of those shares;

- if the number of your shares which are participating in the Plan is less than any minimum participation limit set by the Directors, you will be deemed to have no shares participating in the Plan. Instead you will receive cash dividends on all of your shares.

If any maximum or minimum participation limit is set and then later lifted, your participation in the Plan will revert back to the levels you elected on your original Election Form.

## Enquiries

A copy of the Plan Rules are attached to this booklet.

If you wish to enquire further about the Plan, please contact the Company's Share Registry:

Computershare Investor Services Pty  
Limited  
Yarra Falls, 452 Johnston Street  
Abbotsford VIC 3067  
Australia  
Phone 1300 132 632

**or** Computershare Investor Services Limited  
Level 2, 159 Hurstmere Road  
Takapuna, North Shore City  
New Zealand  
Phone 09 488 8777

A copy of the most recent annual report (if any) and financial statements complying with the Corporations Act and the Financial Reporting Act 1993 (NZ) of Pacific Brands Limited is available from Pacific Brands Limited, on request and free of charge.

Under the Corporations Act and the Securities Act 1978 (NZ), a prospectus is not required to be lodged or registered in relation to shares to be issued under the Plan described in this booklet. If you are in any doubt as to whether to participate in the Plan, you should consult your own financial adviser.

[date]

Dear Shareholder

### **PACIFIC BRANDS LIMITED DIVIDEND REINVESTMENT PLAN**

The Directors recently announced the reactivation of the Company's dividend reinvestment plan (the "**Plan**").

The Plan offers eligible shareholders the opportunity to reinvest all or part of their dividends in additional shares in the Company and will be available in relation to the upcoming 2014 April dividend.

All shareholders with a registered address in Australia or New Zealand are eligible to participate in the Plan, subject to the Plan's terms and conditions.

The Directors invite all eligible shareholders to participate in the Plan.

Enclosed with this letter are the following:

- a summary of the Plan;
- a notice of election form; and
- a reply paid envelope.

Interested shareholders are strongly encouraged to read the full terms and conditions of the Plan before electing to participate. A copy of these terms and conditions is available from the Company's website at [www.pacificbrands.com.au](http://www.pacificbrands.com.au) or by contacting the Company's share registry on 1300 132 632 (within Australia) or 64 9488 8777 (New Zealand).

In order to participate in the Plan for the 2014 April dividend, your completed notice of election form must be received by the Company's share registry before 11 March 2014, being the first business day after the dividend record date. Please note that you must complete a notice of election form even if you have participated in the Plan prior to its suspension. Previous Plan participation election forms are deemed to have lapsed and will not apply to this dividend.

Yours faithfully

**John Grover**  
**Company Secretary**

# Pacific Brands Limited

ACN 106 773 059

## SUMMARY OF DIVIDEND REINVESTMENT PLAN

- Participation in the Dividend Reinvestment Plan (DRP) is optional and voluntary
- All holders of fully paid ordinary shares in the Company may participate in the DRP so long as their registered address is in Australia or New Zealand (or a jurisdiction in which the Board is satisfied that participation is lawful and practicable)
- In order to participate in the DRP you must complete and return a DRP Notice of Election form, obtainable in hard copy from our share registry, online, via Pacific Brand's website ([www.pacificbrands.com.au](http://www.pacificbrands.com.au)) or our share registry site ([www.computershare.com.au](http://www.computershare.com.au))
- On completion of a Notice of Election, shareholders may elect to have all shares (full) participate in the DRP or nominate a participating portion (partial) of shares held.
- The Board may determine (from time to time) a minimum or maximum (or both) permitted number of Participating Shares per participant
- Notice to participate in the DRP, or variation, must be received by the share registry by 5.00pm on the business day immediately following the record date of the relevant distribution. Applications/notices received after this time will not be rejected but will be applied only to those payments following that which is current.


- Refer to the full terms and Conditions for the DRP (available at [www.pacificbrands.com.au](http://www.pacificbrands.com.au)) for the calculation price at which DRP shares will be issued
- Statements will be issued after each distribution
- The Board of Pacific Brands Limited may terminate or suspend the DRP or modify the Terms and Conditions of the DRP when/if considered appropriate.

**This document is a summary. The DRP is governed by the Full terms and Conditions and you should refer to them for further information.**

The Terms and Conditions may be downloaded from the Company's website at [www.pacificbrands.com.au](http://www.pacificbrands.com.au) or may be obtained (free of charge) by contacting the Company's Share Register.

If you are in any doubt as to whether to participate in the DRP then you should consult your own financial advisor without delay

### Return your information:

 **Online:**  
www.computershare.com


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

### Enquiries:

(within Australia) 1300 132 632  
(international) 61 3 9415 4184  
Facsimile 61 3 9473 2500

Please enter SRN/HIN in boxes below:

--	--	--	--	--	--	--	--	--	--

 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
---	---	---

1	2	3
---	---	---

Where a choice is required,  
mark the box with an 'X'

X
---

### A Dividend Reinvestment Plan (DRP)

X
---

**ALL** Please mark this box with an 'X' if you wish all of your holding to participate in the company's DRP.

X
---

**PART**

--	--	--	--	--	--	--	--	--	--

Show the number of securities you wish to participate in the company's DRP.

### 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 securities. Where I/we have indicated participation in the Dividend Reinvestment Plan, I/we hereby agree to be bound by the Terms and Conditions of the Dividend Reinvestment Plan.

Individual or Securityholder 1

--

Director

Securityholder 2

--

Director/Company Secretary

Securityholder 3

--

Sole Director and Sole Company Secretary

Date - Day

Month

Year

		/			/			
--	--	---	--	--	---	--	--	--

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

## How to complete this form

### **A** Dividend Reinvestment Plan (DRP)

Complete this section if you wish to have your cash dividends reinvested in the form of more company securities.

If you wish to reinvest all of your securities in the company's DRP, please cross the box marked ALL.

If you wish to reinvest part of your securities in the company's DRP, please show the number of securities that you wish to participate.

Please note that an election to participate fully in the Dividend Reinvestment Plan will override 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.

### **B** Signature(s)

If you have chosen to have your cash dividends fully or partially reinvested into company securities and you have completed Section A, 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.

D1001

P B G

**Please return the completed form to:**

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

