

19 February 2009  
The Manager  
Company Announcements Office  
Australian Securities Exchange  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

**ELECTRONIC LODGEMENT**

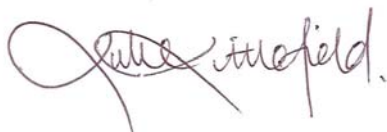
Dear Sir or Madam

**Mitchell Communication Group Limited – Dividend Reinvestment Plan**

The Directors of the Mitchell Communication Group Limited have approved the introduction of a Dividend Reinvestment Plan ("DRP").

Please find attached the covering letter, features of the plan, questions and answers, DRP Rules and sample DRP Election Form which will be mailed to shareholders in the week commencing 2 March 2009.

Yours sincerely



Luke Littlefield  
Chief Operating Officer

19 February 2009

Dear Shareholder

## **Mitchell Communication Group Limited Dividend Reinvestment Plan**

I am pleased to offer you the opportunity to participate in the Mitchell Communication Group Limited ("Mitchells" or "the Company") Dividend Reinvestment Plan ("DRP" or "the Plan").

As a shareholder, the DRP provides you with a convenient method of reinvesting all or some of the dividend payments you are entitled to receive into additional shares in the Company ("Shares"). The DRP provides you with an opportunity to increase your shareholding in Mitchells, Australia's leading independent, integrated and diversified media services and communications group.

Please find enclosed information regarding the DRP and a DRP Election Form. This information includes a summary of the main features of the Plan, typical questions and answers and the formal DRP Rules. In summary, some of the key features of the Plan are:

- 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 voluntary. You can choose to have all or part of your shareholding participating in the Plan; and
- You can choose to join, withdraw or vary your participation in the Plan at any time.

### **2009 interim dividend**

The number of shares provided to you under the DRP will be determined based on the number of shares which you have elected to participate in the DRP and the offer price determined under the terms of the DRP.

The offer price will be equal to the daily volume weighted average market price of all Shares sold in the ordinary course of trading on the ASX during a period of 5 trading days commencing two trading days after the record date.

For the 2009 interim dividend only, the Directors have resolved to apply a 5% discount to this offer price.

The record date for determining entitlements to the 2009 interim dividend is 20 March 2009. Payment of the dividend and the issue of shares under the DRP are due to be made on 17 April 2009.

In addition, the Mitchell Family (accounting for approximately 40% of the issued capital of the Company) intend to participate in the DRP in full in respect of our total shareholding. Further, all the Directors of the Company, intend to participate in the DRP in full in respect of our total shareholding.

## How to participate

I encourage you to read the enclosed documents carefully before determining what options are available to you.

Should you wish to participate, either:

- logon to the Computershare investor centre at <http://www.computershare.com.au/easyupdate/mcu> and record your election to participate in the DRP; or
- complete and sign the enclosed DRP Election Form and fax it to Computershare Investor Services on 03 9473 2500 (if you are within Australia) or +61 3 9473 2500 (if you are outside Australia); or
- complete and sign the enclosed DRP Election Form and return it to Computershare Investor Services in the envelope provided.

To qualify for participation in the DRP for the 2009 interim dividend, you must record your election online or ensure your DRP Election Form is received by Computershare Investor Services (in either case) before 5.00pm (Melbourne time) on 20 March 2009.

## Further information

If you have any queries in relation to the operation of the DRP please contact Computershare Investor Services Call Centre on 1300 850 505 (if you are within Australia) or +61 3 9415 4000 (if you are outside Australia) or write to GPO Box 2975, Melbourne, Victoria, Australia, 3001.

A copy of the DRP materials will also be available from our website at [www.mitchells.com.au](http://www.mitchells.com.au).

Mitchells intends to release its Half Year Report for the period ended 31 December 2008 along with the amount of the 2009 interim dividend on 25 February 2009.

Yours sincerely,



Harold Mitchell AO  
Chairman  
Mitchell Communication Group

## **Features of the Mitchell Communication Group Limited Dividend Reinvestment Plan**

The Mitchell Communication Group Limited Dividend Reinvestment Plan (“DRP” or “the Plan”) provides holders of ordinary Shares in Mitchell Communication Group Limited (“Mitchells” or “the Company”) with a convenient method of reinvesting all or part of their dividends in ordinary shares in the Company.

The Plan gives shareholders the choice of applying dividends 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:

- Participation is entirely voluntary and you can choose to reinvest all, part or none of your Dividend in the Plan;
- 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;
- You can choose to have less than your full shareholding participating in the Plan;
- You can choose to join, withdraw or vary your participation in the Plan at any time;
- Shares acquired by you under the Plan will rank equally with the existing fully paid ordinary Shares;
- Shares acquired by you under the Plan are credited directly to your shareholding;
- Plan statements outlining the Dividend calculation and the details of your Participation will be mailed on the relevant Dividend payment date; and
- Your Australian tax position in respect of the Dividend is currently the same whether or not you elect to participate in the Plan. You may also make a gain that is subject to Australian tax when you dispose of Shares acquired under the Plan. You should seek tax advice specific to your circumstances if you have any questions regarding the taxation implications of participating in the Plan.

## Questions and answers

**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 legal or financial adviser before deciding whether to participate.**

### **1. How do I participate in the Plan?**

Participation in the Plan is entirely voluntary. All that you need to do is to logon to the Computershare investor centre at <http://www.computershare.com.au/easyupdate/mcu> and record your election to participate in the DRP. Alternatively, you can complete the enclosed DRP Election Form and return it to Computershare Investor Services either:

- by fax on 03 9473 2500 (if you are within Australia) or +61 3 9473 2500 (if you are outside Australia); or
- by mail in the envelope provided.

Additional forms can be downloaded from [www.mitchells.com.au](http://www.mitchells.com.au) or you can contact Computershare Investor Services Call Centre on 1300 850 505 (if you are within Australia) or +61 3 9415 4000 (if you are outside Australia) or write to GPO Box 2975, Melbourne, Victoria, Australia, 3001 to request a DRP Election Form.

### **2. 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.

### **3. When will my participation in the Plan begin?**

Participation begins with the first Dividend after receipt of your DRP Election Form if it is received by the Share Registry before 5.00pm (Melbourne time) on the record date for that Dividend. For the purposes of the 2009 interim dividend the record date is 20 March 2009.

#### **4. How is the Offer Price of 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 more than 10 trading days, commencing two trading days after the record date (or as the Board determines) in respect of the Dividend. The Directors may decide that you can acquire the Shares at a discount. For the purposes of the 2009 interim dividend, the period for calculating the average market price of Shares sold on ASX will be 5 trading days commencing two trading days after the record date and the discount will be 5%.

#### **5. 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 from time to time. For the purposes of the 2009 interim dividend no minimum or maximum number of Shares has been set. Eligible Shareholders may participate for up to all their Shares held as at the record date.

#### **6. How many Shares will I receive?**

The number of Shares you receive will be calculated by multiplying the number of participating 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 of the Plan Shares.

The calculation will be rounded down to the nearest whole number of Shares.

#### **7. 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 deductions);
- the Offer Price of the Plan Shares; and
- the number of Plan Shares acquired by you.

If you are a partial Participant, you will also receive your cheque or direct credit payment advice in the same envelope.

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

If you choose to participate fully 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.

## **9. 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.

## **10. 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 through ASX and information will be available at [www.mitchells.com.au](http://www.mitchells.com.au).

## **11. 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.

The Notice of Variation form can be obtained from the Share Registry or from the Company's website at [www.mitchells.com.au](http://www.mitchells.com.au).

## **12. Can I sell my Plan Shares?**

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

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

## **13. Will the Mitchell Family including Mr Harold Mitchell and Mr Stuart Mitchell and the Directors participate in the Plan?**

For the purposes of the 2009 interim dividend, Mr Harold Mitchell, Mr Stuart Mitchell and their immediate family and all the Directors intend to fully participate in the Plan in respect of their dividend entitlement.



#### **14. What is the taxation treatment?**

For Australian tax purposes, dividends reinvested into Shares are currently treated in the same way as dividends received on Shares that do not participate in the Plan. You may also make a gain that is subject to Australian tax when you dispose of Shares acquired under the Plan.

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 stockbroker, accountant or professional adviser.

#### **15. Enquiries**

If you have further enquiries (other than concerning taxation) about how the Plan operates and how you can participate, please contact the Company's Share Registry at:

Computershare Investor Services Pty Limited

Ph: 1300 85 05 05 (if you are within Australia) or +61 3 9415 4000 (if you are outside Australia)

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

Fax: 03 9473 2500 (if you are within Australia) or +61 3 9473 2500 (if you are outside Australia)

Postal Address: Mitchell Communication Group Limited Share Registry  
C/- Computershare Investor Services Pty Limited  
GPO Box 2975  
Melbourne Vic Australia 3001

(\* Note some words used here are defined at the end of the Rules.)



**All correspondence to:**  
Computershare Investor Services Pty Limited  
GPO Box 2975 Melbourne  
Victoria 3001 Australia  
Enquiries (within Australia) 1300 850 505  
(outside Australia) 61 3 9415 4000  
Facsimile 61 3 9473 2500  
web.queries@computershare.com.au  
www.computershare.com

000010 000 MCU  
MR JOHN SAMPLE  
FLAT 123  
SAMPLE STREET  
SAMPLE STREET  
SAMPLE STREET  
SAMPLETOWN VIC 3030

Securityholder Reference Number (SRN)



I 1234567890 STF

## 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
---	---	---

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

X
---

### A Dividend Reinvestment Plan (DRP)

X
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ALL

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

X
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PART

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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

		/			/				
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*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.

Please return the completed form to:

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

DI001

MCU





# **Dividend Reinvestment Plan Rules**

Mitchell Communication Group Limited

**ABN 59 088 110 141**

February 2009

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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, 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.

**Board** means the board of Directors of the Company.

**Company** means Mitchell Communication Group Limited (ABN 59 088 110 141).

**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 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 Shares 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.

**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.

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**Normal Trade** means all trades excluding special trades such as special crossings, overseas trades, option exercise trades and any other trade determined by the Board in its 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 to terminate the Participant's participation in the Plan.

**Offer Price** means, in respect of any Shares Allocated under the Plan, the amount (rounded to the nearest cent) equal to the arithmetic average of the daily volume weighted average market price of all Shares sold through a Normal Trade on the ASX automated trading system during a period of not more than 10 trading days, as determined by the Board, commencing two trading days after the record date, or any other date as determined by the Board, in respect of the relevant Dividend, less any discount determined by the Directors under Rule 6.4.

The weighted average market price will be calculated by the Board or a person nominated by the Board, by reference to any information the Board approves for the purpose. A determination by the Board 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 Mitchell Communication Group Limited Dividend Reinvestment Plan, the terms of which are set out in these 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 the rules of the Plan as varied from time to time.

**Share Registry** means Computershare Investor Services Pty Limited 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.



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## **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;
- (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.

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### **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 [www.mitchells.com.au](http://www.mitchells.com.au) or by telephoning 1300 85 05 05.

### **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 (including each shareholding registered under different names or each shareholding bearing different shareholder reference numbers or holder identification numbers) 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); or

- 
- (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.

## **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 is 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 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.

# **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 Directors that it is an Eligible Shareholder;
- (b) authorises the Directors (and their 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 Directors 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.

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## 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 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 Directors will establish and maintain a Plan account for each shareholding account of each Participant. At the time of each Dividend payment, the Directors 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
- (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.

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### 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 calculated in accordance with the formula below (rounded down) and Rule 6.5:

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

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 sum the Company is entitled to deduct or retain in relation to the Dividend or the Plan Shares;
- 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 in respect of the Plan for a particular Dividend may differ from any discount determined by the Directors in respect of the Plan 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 Rounding down

In calculating the number of Plan Shares to be Allocated to a Participant, fractions will be rounded down to the nearest whole number of Shares calculated under the Rules. The Participant will be taken to have applied all of the relevant Dividend declared on the Plan Shares in applying for that

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number of Plan Shares and is not entitled to any fractional entitlements or to receive payment of any residual cash balance in respect of amounts rounded down.

## **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; and
- (e) the total number of Shares (including Plan Shares) in respect of which that Participant is the registered holder.

## **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 the ASX. Shareholder statements for the Shares will be despatched as soon as practicable after the Allocation if required by the Constitution.

## **6.9 Quotation on ASX**

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

## **6.10 Underwriting**

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



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## **7 Variation or termination of participation**

### **7.1 Notice of Variation**

By lodging with the Share Registry 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 Share Registry before the record date for that Dividend. However, the Directors may in their absolute discretion permit a Participant to lodge a Notice of Variation with the Share Registry after the record date for a Dividend, which is effective 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 payment of a Dividend, the Participant is taken to have terminated participation 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 holding of Shares of that Participant, 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 Directors receive written notice of the death. If a Participant is declared bankrupt or is wound-up, their participation in the Plan terminates when the Directors receive 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.

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## **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 while the Plan is suspended. If the Plan remains suspended for four consecutive Dividend payment dates, then any DRP Election Form previously lodged by a Participant is void.

### **8.4 No Dividends during suspension of the Plan**

While the Plan is suspended, Dividends on Plan Shares will not be applied by the Directors on the Participant's behalf in acquiring Shares. During suspension, any Dividends will be remitted in cash.

### **8.5 Recommencement**

If the Plan is recommenced following a suspension for:

- (a) less than four 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

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- (b) four consecutive Dividend payment dates, each Participant who wishes to participate in the recommended Plan must complete and submit a new DRP Election Form, in accordance with Rule 3.3.

## **8.6 Notice**

The Company will give notice of any:

- (a) termination of the Plan to Participants at least one month 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 at least one month 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 nor 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.

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## **9 Administration of the Plan**

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

## **11 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.

## **12 Governing law**

These Rules will be governed by and construed in accordance with the laws of Victoria, Australia.

## **13 Additional information**

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