

ASX release

7 May 2015

DIVIDEND REINVESTMENT PLAN

Desane Group Holdings Limited ("**Desane**") is pleased to announce the introduction of the **Desane Dividend Reinvestment Plan ("DRP")**, which will allow eligible shareholders to reinvest their dividends into additional Desane shares.

The following information is being mailed to shareholders today:

- Letter to shareholders; and
- DRP Election form.

The Desane Group Holdings Limited Dividend Reinvestment Plan Information Booklet will be available to view by logging onto Computershare's Investor Centre at www.investorcentre.com or on our Company's website at www.desane.com.au.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Phil Montrone
Managing Director & CEO
Desane Group Holdings Limited
(02) 9555 9922
philmontrone@desane.com.au

John Bartholomew
Company Secretary
Desane Group Holdings Limited
(02) 9555 9922
johnbartholomew@desane.com.au

7 May 2015

68-72 Lilyfield Road, Rozelle NSW 2039
PO Box 331, Leichhardt NSW 2040
T: +61 2 9555 9922
F: +61 2 9555 9944
www.desane.com.au
ASX Code: DGH

Dear Shareholder,

Dividend Reinvestment Plan

Desane Group Holdings Limited ("**Desane**") recently announced to the ASX a special fully franked dividend of **15 cents** per share ("**Special Dividend**").

The payment of the Special Dividend is being made possible due to the strong financial position of the Company. This Special Dividend follows on from the Board's implementation of a Dividend Policy with the intention to pay both interim and final fully franked dividends.

The Board has also resolved to implement the **Desane Dividend Reinvestment Plan ("DRP")** which will apply to the Special Dividend. The **DRP** provides eligible shareholders (shareholders with a registered address in Australia or New Zealand only) with the opportunity to reinvest all or part of their Special Dividend entitlement in Desane shares, free of any transaction costs.

Participation is voluntary and subject to Desane's **DRP** rules. The **DRP** rules should be read in full before deciding whether or not to participate in the **DRP**. Please note the **DRP** rules are also available on the Desane website at www.desane.com.au.

What you need to do to participate in the **DRP?**

To participate in the **DRP**, please complete the **Dividend Reinvestment Plan Election Form** (enclosed with this letter) or log on to Computershare's Investor Centre at www.investorcentre.com. You will need your SRN or HIN (as applicable) and postcode.

The **DRP** Election Form must be received by Computershare Investor Services Pty Limited no later than **5:00pm, Wednesday, 17 June 2015, which is the **DRP** Election Date for the special dividend payment.**

Yours faithfully,

DESANE GROUP HOLDINGS LIMITED



JOHN BARTHOLOMEW
Company Secretary



ABN 61 003 184 932

DIVIDEND REINVESTMENT PLAN

INFORMATION BOOKLET FOR SHAREHOLDERS

IMPORTANT NOTE TO SHAREHOLDERS

Under the Corporations Act a prospectus is not required to be lodged or registered in relation to shares to be issued under the DRP described in this Information Booklet. Consequently, this Information Booklet does not contain the information which would be contained in such a prospectus, for example, in relation to Desane Group Holdings Limited, its assets and liabilities, financial position, profits and losses and prospects. If you are in any doubt as to whether to participate in the DRP and in particular if you are unclear about the taxation implications of participating in the Plan, you should consult your own taxation and financial adviser without delay.

CONTENTS

Explanatory Outline

Dividend Reinvestment Plan Rules

Election Form (and Variation Notice)

ENQUIRIES

If you require further information concerning the Plan please contact or write to either of the following addresses:

Computershare Investor Services Pty Limited
GPO Box 2975, Melbourne VIC 3001
Level 5, 115 Greenfell Street, Adelaide SA 5000
Enquiries 1300 556 161 or +61 3 9415 4000
Facsimile 1300 534 987
www.computershare.com

Mr John Bartholomew
Company Secretary
Desane Group Holdings Limited
68-72 Lilyfield Rd,
Rozelle, NSW, 2039

Telephone: 02 9555 9922
Facsimile: 02 9555 9944

DESANE GROUP HOLDINGS LIMITED ("DESANE")

EXPLANATORY OUTLINE

of the

DIVIDEND REINVESTMENT PLAN ("DRP" OR THE "PLAN")

**DECISION REQUIRED BY
SHAREHOLDERS**

Shareholders should decide which of the following alternatives suits their particular circumstances with respect to dividends to which the Plan may apply:

ALTERNATIVE 1: RECEIVE CASH

Shareholders may receive cash for all of their dividends.

ALTERNATIVE 2: PARTICIPATE IN THE DRP

Shareholders may elect to participate in the DRP and reinvest part or all of their dividends in additional fully paid ordinary shares in Desane. The dividend on the balance of your shareholding (if any) will be paid in cash. The number of shares issued pursuant to the DRP and the issue price will be in accordance with the Rules of the DRP (see Features of the Plan on the following page for summary details) free of any brokerage, commission, stamp duty and other transaction costs.

ALTERNATIVE 3: ANY COMBINATION OF CASH AND DRP

Shareholders may receive cash and/or elect to participate in the DRP in any combination.

**ACTION REQUIRED BY
SHAREHOLDERS**

The following action is required by shareholders with respect to each of the above alternatives:

ALTERNATIVE 1: RECEIVE CASH

If you wish to receive all of your dividends in cash, no action is required.

ALTERNATIVE 2: PARTICIPATE IN THE DRP

ALTERNATIVE 3: ANY COMBINATION OF CASH AND DRP

If you wish to participate in the DRP for part or all of your shareholding (i.e. if you decide either Alternative 2 or 3 suits your particular circumstances), you must complete the Election Form enclosed with the Information Booklet and ensure that it is received at the Share Registry, Computershare Registry Services Pty Limited, GPO Box 2975, Melbourne VIC 3001 or Level 5, 115 Greenfell Street, Adelaide SA 5000, prior to the DRP Election Date for the relevant dividend.

Please note that if your shares are held under different shareholder reference numbers in the Register you will need to complete an Election Form in respect of *each* separate shareholder reference number.

FEATURES OF THE PLAN

Number of Shares Issued and Issue Price of Shares:

Under the DRP, the relevant dividend payable in cash on shares participating in the DRP will be applied by the Company on your behalf in subscribing for fully paid ordinary shares in Desane. Such shares will be issued at the lower of:

- the price as determined by the Board, in its absolute discretion and announced to ASX on the day a Dividend is declared by the Board, to be the maximum price (if any) in dollars per share at which Shares will be issued pursuant to the DRP ("**Price Cap**"); or
- the price in dollars per share derived by applying a discount (as determined by the Board in its absolute discretion and announced to ASX on the day a Dividend is declared by the Board) to the "Market Price" which is the volume weighted average market price (on an ex-dividend basis) of Desane shares during the five trading days subsequent to and inclusive of the Ex-Dividend Date for the relevant dividend 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 Desane shares means the fair ex-dividend market value of a Share given the relevant circumstances as determined by the Board of Directors in its absolute discretion.

Ranking of Shares: Shares issued pursuant to the Plan will rank equally in all respects with all other fully paid ordinary shares on issue.

No Costs: Shares issued pursuant to the Plan will be allotted free of any brokerage, commission, stamp duty and

other transaction costs.

Share Statements: Statements will be issued as soon as practicable after the shares are issued pursuant to the Plan.

Variation and Modification of Rules: The Board may vary or modify the Rules of the Plan from time to time and at any time as it considers appropriate.

Suspension, Termination and Recommencement: The Board may suspend, terminate or recommence the operation of the Plan in its absolute discretion from time to time and at any time it considers appropriate in relation to dividends in the future.

TIME PERIODS FOR ELECTION

Your Election Form must have been received by the DRP Election Date which is **two (2) Business Days after the Record Date** for the relevant dividend.

Once you have elected which shares are to participate in the Plan, you cannot vary that election after the DRP Election Date for the relevant dividend.

VARIATION OF ELECTION

Subject to the Rules of the Plan, if you wish to vary your previous election you may do so by delivery to the Share Registry of a Variation Notice by the DRP Election Date for the relevant dividend.

ELIGIBILITY TO PARTICIPATE

Subject to any applicable law, all shareholders are eligible to participate in the Plan with respect to relevant dividends.

The Board may determine that shareholders are not eligible to participate in the Plan if they have registered addresses in a country or place where the offer of a right to participate would or might be unlawful, impossible or impracticable.

The Board has exercised its discretion to determine that shareholders with registered addresses outside of Australia and New Zealand are not eligible to participate in the Plan.

SUMMARY OF TAX POSITION

Residents:

Under the DRP, participating eligible resident shareholders use the relevant dividend which is the subject of the DRP paid on participating shares to subscribe for additional fully paid ordinary shares in Desane. For taxation purposes, shares received under the DRP are treated as though the shareholder had received a cash dividend and then paid it back to Desane to subscribe for new shares. The Company's understanding is that:

- (i) shares received under the DRP are treated as

having been purchased by the reinvestment of cash dividends for the purposes of the Australian dividend imputation system. A participant in the DRP will therefore be subject to tax on the same basis as a recipient of cash dividends. Accordingly, where the Company declares “franked dividends”, a participant in the DRP will be treated as receiving franked dividends to which “franking rebates” (i.e. tax credits) attach for Australian income tax purposes. “Top-up tax” may be payable at the difference between the corporate tax rate of 30% upon which the franking rebate is based and the individual marginal tax rate of the relevant shareholder;

- (ii) shares received under the DRP will, in general, be subject to Australian capital gains tax upon disposal, regardless of whether the Desane shares in respect of which they are issued were acquired by the participating shareholder before, on or after 20 September 1985. The cost base of the shares received under the DRP will be calculated for capital gains tax purposes on the basis they were acquired at a cost equal to the cash value of the dividend which is applied to pay for the shares. The acquisition date for capital gains tax purposes will be the date of issue of the shares under the DRP.

Non Residents:

A non-resident shareholder should not be subject to Australian tax on receipt of the relevant dividend the subject of the Plan. A non-resident is not able to make use of franking credits to reduce Australian tax on other income. In addition, a non-resident will not be subject to dividend withholding tax on the relevant dividend to the extent that the dividend is franked. If the dividend is not franked, dividend withholding tax at the rate of 30% (or, if paid to a resident of a country with which Australia has a double tax agreement, the lower rate specified in the agreement) will be withheld from the dividend and paid to the Australian Taxation Office. The capital gains tax consequences of participation by a non-resident in the Plan would be as described above for residents, although most non-residents would not in any event be subject to Australian capital gains tax in respect of their Desane shares.

Independent Tax Advice:

The above comments concerning the taxation position of shareholders are necessarily general in nature and shareholders should seek and rely upon their own professional taxation advice in relation to the Plan.

The precise taxation position of a shareholder under the Plan will depend upon the particular circumstances of the shareholder. Specifically, this summary does not address taxation issues relevant to shareholders in special circumstances, such as share traders or persons carrying on an investment business. The sole purpose of this summary is to outline the basic features of the Plan. Shareholders should not rely upon this summary for taxation purposes, and neither the Company nor its Office Holders, Employees or Agents accept any responsibility or assume any liability for, or as a consequence of, the tax liabilities of any person in connection with the Plan or represent or warrant that any person will gain any taxation advantage, or will not incur a taxation liability or disadvantage, as a result of participation in the Plan.

DESANE GROUP HOLDINGS LIMITED

ABN 61 003 184 932

DIVIDEND REINVESTMENT PLAN RULES

INTERPRETATION

1.1 Definitions

In these Rules, unless the context otherwise requires:

“**Act**” means the Corporations Act, 2001 Commonwealth of Australia

“**ASX**” means ASX Limited ABN 68 008 624 691;

“**Board**” means the Board of Directors of the Company;

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

“**Company**” means Desane Group Holdings Limited ABN 61 003 184 932;

“**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 Desane Group Holdings 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 Registry 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;

“**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 Participating Share;

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

“**Participant**” means an eligible Shareholder in respect of the Shareholder’s Participating Shares;

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

“Price Cap” means the maximum price (if any) in dollars per Share 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;

“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 Corporations 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 ABN 48 078 279 277 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) under 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 PLAN

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 has determined 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 and is not Australia or New Zealand.

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 DRP Election 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

An eligible 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 clauses 3.2(b) or a 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.

4. OPERATION OF DRP

4.1 Commencement of DRP

The DRP shall commence to operate on **Thursday 7 May 2015**, being the date on which the Board of the Company resolved to implement the DRP.

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

Where the DRP is operative, the amount of the relevant Dividend 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:

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

Where:

N is the net amount in dollars of the Distribution Amount;

C is the Price Cap for the relevant Dividend or, if there is no Price Cap for the relevant Dividend, C is equal to M.

M is the amount in dollars per Share of the Market Price, less any percentage discount as determined by the Board from time to time in its absolute discretion and announced to ASX on the day a Dividend is declared by the Board and subject to any maximum and/or minimum price 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; and

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 determined in accordance with the formula in clause 4.3 is not a whole number, that number is to be rounded down to the nearest whole number.

4.5 Full Payment of Dividend

Where a Dividend to which the DRP is operative is dealt with by the Company in accordance with clause 4.3, that action constitutes full and final payment by the Company of the 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 which 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 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 at the Share Registry 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);
- (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, Participating Shares of that Participant.

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 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 in respect of the particular Dividend to which the DRP applies; and
- (iv) any other restrictions as to the period of notice which the Board may from time to time impose.

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 Transmitttee

An Election Form, Variation Notice or notice under clause 9.3 given by a transferee or transmitttee 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 transmitttee 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 accordance with the Constitution; 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 PLAN

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 time the Board so resolves and shall continue until such time as the Board resolves that the DRP shall recommence or be terminated. The date of any recommencement or termination of the DRP must be notified to Shareholders.

12.3 Effect of Suspension

As of the date of suspension and subject to clause 12.5, any Shares which may have been DRP Participating Shares immediately prior to that date 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 by notice to shareholders resolve to recommence the operation of the suspended DRP at any time on such conditions as it thinks fit. 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 OR TERMINATION OF THE DRP

13.1 Variation, Modification or Termination of DRP

The DRP may be varied, modified or terminated by the Board in its absolute discretion at any time 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 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 or employees or advisors 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 Participants and as individual circumstances may vary considerably, Shareholders should obtain their own specific professional taxation advice with respect to the relevant Dividend and 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.