

CLAYTON UTZ

Dividend Reinvestment Plan Rules

Austbrokers Holdings Limited

ABN 60 000 000 715

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Austbrokers Holdings Limited

Dividend Reinvestment Plan Rules

1. Definitions

In these Rules, unless the context otherwise requires:

"ASX" means Australian Stock Exchange Limited ABN 98 008 624 691.

"Board" means the board of directors of the Company.

"Company" means Austbrokers Holdings Limited ABN 60 000 000 715.

"Constitution" means the constitution of the Company from time to time.

"Holding" means a registered holding of Shares.

"Listing Rules" means the listing rules of ASX as they apply to the Company from time to time.

"Notice of Participation" means an application to participate in the Plan in respect of any Holding in the form approved by the Board from time to time.

"Notice of Variation" means a notice to increase or decrease the number of Shares in a Holding which are to be subject to the Plan or to terminate a Shareholder's participation in the Plan in respect of any Holding in the form approved by the Board from time to time.

"Plan" means the Dividend Reinvestment Plan established under these Rules as varied from time to time.

"Plan Account" means the account established and maintained under Rule 5.3.

"Plan Shares" means, in respect of any Holding, the number of Shares in that Holding participating in the Plan from time to time.

"Price" means the price at which Shares will be issued or acquired under the Plan determined in accordance with Rule 5.2.

"Record Date" means any date and time specified by the Board for determining entitlements to a dividend paid by the Company.

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

"Shares" means fully paid ordinary shares in the capital of the Company.

"Shareholder" means a registered holder of Shares within the meaning of the Constitution of the Company.

2. Participation in the Plan

2.1 General

Participation in the Plan:

- (a) is subject to these Rules;

- (b) is optional;
- (c) is open to each Shareholder unless excluded under these Rules; and
- (d) may be varied or terminated at any time in accordance with these Rules.

2.2 Eligibility to participate

A Shareholder may not participate in the Plan unless the Shareholder has a registered address on the Record Date in Australia or New Zealand or in another jurisdiction in which the Board in its absolute discretion is satisfied that the offer issue and transfer of Shares in accordance with the Plan would be lawful and practicable.

2.3 Discretion to refuse or reduce participation

Notwithstanding Rule 2.2, if the Board in its absolute discretion determines that the offer, issue or transfer of Shares under the Plan to a Shareholder or the holding of those Shares by that Shareholder may:

- (a) be in breach of the law of any place;
- (b) be in breach of a provision of the Constitution;
- (c) prejudice the effective operation of the Plan; or
- (d) otherwise in the opinion of the Board be undesirable or impractical,

the Board may in its absolute discretion:

- (e) refuse to accept, reduce or suspend the Shareholder's participation in the Plan; or
- (f) decline to issue or transfer any Shares to that Shareholder under the Plan.

3. Application to participate

3.1 Notice of Participation

Application to participate in the Plan must be made on a Notice of Participation. If a Shareholder has more than one Holding, the Shareholder must lodge a separate Notice of Participation in respect of each Holding which is to participate in the Plan.

3.2 Election

A Shareholder must elect in the Notice of Participation given in respect of any Holding either:

- (a) full participation; or
- (b) partial participation

in the Plan. If the Notice of Participation in respect of any Holding does not clearly indicate the level of participation in the Plan, it will be deemed, without notice to the Shareholder, to be an application for full participation. If the Notice of Participation in respect of any Holding purports to elect both full participation and partial participation at the same time, it will be invalid and of no effect whatsoever.

3.3 Full participation

If a Shareholder elects full participation in respect of a Holding, all Shares comprised in that Holding from time to time, including Shares issued or acquired pursuant to the Plan, will participate in the Plan.

3.4 Partial participation

If a Shareholder elects partial participation in respect of a Holding:

- (a) only the number of Shares specified in the Notice of Participation in respect of that Holding will participate in the Plan;
- (b) if on any Record Date the number of Shares comprised in that Holding is less than the number of Shares specified in the Notice of Participation then all of those Shares will participate in the Plan;
- (c) any Shares comprised in that Holding in excess of the number specified in the Notice of Participation, whether acquired under the Plan or otherwise, will not participate in the Plan unless the Shareholder alters the participation level in respect of that Holding in accordance with Rule 8.1.

3.5 Commencement of participation

A Shareholder's participation in the Plan in respect of any Holding will commence from the next Record Date following receipt by the Company's share registry of a duly completed and executed Notice of Participation in respect of that Holding.

4. Minimum and maximum participation

4.1 Minimum participation

The Board may in its absolute discretion:

- (a) determine for any particular dividend or for dividends generally a minimum number of Shares in a Holding required to participate in the Plan (the "**Minimum Participation Number**"); and
- (b) refuse to permit any Shareholder to participate in the Plan in respect of any Holding where the Shareholder has elected to participate in respect of that Holding for a number of Shares which is less than the Minimum Participation Number.

4.2 Maximum participation

The Board may in its absolute discretion:

- (a) determine for any particular dividend or for dividends generally a maximum number of Shares in a Holding permitted to participate in the Plan (the "**Maximum Participation Number**"); and
- (b) refuse to permit any Shareholder to participate in the Plan in respect of any Holding to the extent that the Shareholder has elected to participate in respect of that Holding for a number of Shares which is greater than the Maximum Participation Number.

4.3 Shares held on behalf of more than one person

If a Shareholder notifies the Company that the Shares in a Holding are held on behalf of more than one person and specifies the number of Shares held for each person as at a Record Date then the Board in its absolute discretion may treat the Holding as separate Holdings for the purposes of the application of Rules 4.1 and 4.2 at that Record Date.

5. Operation of the Plan

5.1 Application of dividends

Each dividend which is payable to a Shareholder in respect of Plan Shares and which is available for payment to the Shareholder will be applied by the Company on the Shareholder's behalf in acquiring or subscribing for additional Shares. The Board in its absolute discretion will determine with respect to the operation of the Plan for any dividend whether to:

- (a) issue new Shares;
- (b) cause existing Shares to be acquired in the market for transfer to a Shareholder; or
- (c) apply a combination of those alternatives,

to satisfy the obligations of the Company under these Rules.

5.2 Price

Shares will be issued or acquired under the Plan at the Price, which will be the arithmetic average rounded to four decimal places of the daily volume weighted average market price of all Shares sold in the ordinary course of trading on ASX during the 5 trading day period starting on the second business day after the Record Date in respect of the relevant dividend less any discount (not exceeding 2.5%) determined by the Board from time to time. The Price will be determined by the Board or some other person nominated by the Board and such determination will be binding on all Shareholders.

5.3 Plan Accounts

The Company will establish and maintain a Plan Account for each Holding in respect of which there are Plan Shares. The Company will, in respect of each dividend payable in respect of each such Holding:

- (a) determine the amount of the dividend payable in respect of the Plan Shares in that Holding;
- (b) determine the withholding payments, if any, deductible by the Company in respect of the dividend payable on the Plan Shares in that Holding, and any other sum the Company is entitled to retain in respect of those Plan Shares;
- (c) credit the amount in Rule 5.3(a) to, and debit any amount in Rule 5.3(b) from, the relevant Plan Account;
- (d) determine the maximum whole number of additional Shares which may be acquired under the Plan at the Price by using the amount standing to the credit of the relevant Plan Account;
- (e) on behalf and in the name of the Shareholder in respect of the relevant Holding, subscribe for or cause the transfer of the number of Shares determined under Rule

5.3(d) and debit the relevant Plan Account with the aggregate Price payable in respect of the number of the Shares issued or acquired;

- (f) issue the Shares or cause the Shares to be transferred to the Shareholder in respect of the relevant Holding and add the number of Shares issued or acquired to the total number of Shares comprised in the relevant Holding; and
- (g) retain any residual amount standing to the credit of the Plan Account to be dealt with in accordance with Rule 5.4.

5.4 Treatment of balance of Plan Account

Any residual amount standing to the credit of a Plan Account will remain in that Plan Account until either:

- (a) the amount is applied in accordance with Rules 5.3(d) and 5.3(e) in respect of a subsequent dividend payable in respect of the Holding to which that Plan Account relates; or
- (b) one of the following events occurs:
 - (i) the Shareholder's participation in the Plan is terminated under Rule 8.1, Rule 8.4 or Rule 8.5; or
 - (ii) the Plan is terminated by the Company in accordance with Rule 9.1; and
 - (iii) the Plan is suspended by the Company under Rule 9.1 for 2 or more consecutive dividend payments,

and upon the occurrence of any such event the Company must as soon as practicable pay to the relevant Shareholder by cheque the amount then standing to the balance of the Plan Account.

5.5 No interest

No interest is payable in respect of any amount standing to the credit of any Plan Account.

5.6 How balances to be held

Nothing in these Rules shall be taken as requiring the Company to establish a trust account for any monies standing to the credit of any Plan Account.

6. Shares issued or transferred under the Plan

6.1 Ranking

Shares issued under the Plan will rank equally in all respects with existing Shares From the date of issue.

6.2 Application for quotation

The Company will apply for Shares issued under the Plan to be listed for quotation on the official list of ASX as soon as practicable after the date of issue.

6.3 Transfer of shares

If the Company determines to cause the transfer of Shares to Participants, the Shares may be acquired in the market in such manner as the Board considers appropriate, including by appointment of a nominee or trustee to acquire those Shares on behalf of the Shareholder.

6.4 Timing of issue or transfer

Shares issued or acquired under the Plan will be issued or transferred on, or as soon as practicable after, the relevant dividend payment date.

7. Plan Statements

On, or as soon as practicable after, each dividend payment date, the Company will send to each Shareholder in respect of each Holding participating in the Plan a statement setting out in respect of that Holding:

- (a) the number of Plan Shares in that Holding as at the relevant Record Date;
- (b) the amount of the dividend payable to the Shareholder (less any amounts referred to in Rule 5.3(b)) in respect of those Plan Shares;
- (c) the amount in the relevant Plan Account immediately prior to the payment of the relevant dividend;
- (d) the number of Shares transferred or issued to the Shareholder under the Plan and the Price of those Shares;
- (e) the residual balance, if any, retained in the relevant Plan Account after deduction of the amount payable on subscription or transfer for the additional Shares; and
- (f) the number of Shares comprised in the Holding after issue or transfer of those additional Shares.

8. Variation or termination of participation

8.1 Notice of Variation

A Shareholder may at any time give a Notice of Variation to the Company in respect of any Holding:

- (a) to increase or decrease the number of the Shares comprised in that Holding which participate in the Plan; or
- (b) to terminate the Shareholder's participation in the Plan in respect of that Holding.

The alteration or termination takes effect from the next Record Date.

8.2 Increase to full participation

If a Shareholder increases the level of participation in the Plan in respect of any Holding to full participation, all Shares comprised in that Holding as at the date of the Notice of Variation and all Shares subsequently comprised in that Holding, including Shares issued or acquired pursuant to the Plan, will participate in the Plan.

8.3 Other changes to level of participation

If a Shareholder increases or decreases the level of participation in the Plan in respect of any Holding to below full participation:

- (a) only the number of Shares specified in the Notice of Variation in respect of that Holding will participate in the Plan;
- (b) if on any Record Date the number of Shares comprised in that Holding is less than the number of Shares specified in the Notice of Variation then all of those Shares will participate in the Plan; and
- (c) any Shares comprised in that Holding in excess of the number specified in the Notice of Variation, whether acquired under the Plan or otherwise, will not participate in the Plan unless the Shareholder further alters the participation level in respect of that Holding in accordance with Rule 8.1.

8.4 Disposal of Shares

Where:

- (a) all of the Shares in a Holding are participating in the Plan and the Shareholder disposes of some of those Shares then, unless the Shareholder advises the Company otherwise, the remaining Shares in that Holding will continue to participate in the Plan;
- (b) some of the Shares in a Holding are participating in the Plan and the Shareholder disposes of some or those Shares, then unless the Shareholder advises the Company otherwise, the remaining Shares in that Holding will continue to participate in the Plan up to the level of participation last specified under Rule 3.4 or Rule 8.1 in respect of that Holding; and
- (c) a Shareholder disposes of all Shares in a Holding without giving the Company a Notice of Variation, the Shareholder will be deemed to have terminated participation in the Plan in respect of that Holding on the last date on which the Company registered a transfer or instrument of disposal in relation to that Holding.

8.5 Termination of participation on death, bankruptcy or winding up

If a Shareholder dies, participation in the Plan in respect of all of that Shareholder's Shares will be terminated upon receipt by the Company of written notice of the death. If a Shareholder is declared bankrupt or is wound up, participation in the Plan in respect of all of that Shareholder's Shares will be terminated upon receipt by the Company of a notification of bankruptcy or winding up from the Shareholder or the Shareholder's trustee in bankruptcy or liquidator, as the case may be. The death, bankruptcy or winding up of one or more joint holders will not automatically terminate participation.

8.6 Effect of termination

If a Shareholder's participation in the Plan in respect of any Holding is terminated for any reason, the Company will as soon as practicable:

- (a) forward to the Shareholder or the Shareholder's legal representative a statement of the Shareholder's Plan Account in respect of that Holding up to the date of termination; and
- (b) make the payments, if any, required under Rule 5.4.

9. Variation, suspension and termination of Plan

9.1 Power to vary, suspend or terminate

The Plan may be varied, suspended or terminated by the Board at any time. The variation, suspension or termination will take effect upon the date specified by the Board.

9.2 Notice

The Board may give such notice of any variation, suspension or termination of the Plan as it considers appropriate. A variation, suspension or termination of the Plan will not be invalidated by omission to give notice of the variation, suspension or termination to a Shareholder or the non-receipt of any notice by any Shareholder and will not give rise to any liability on the part of, or right or action against, the Board or the Company.

9.3 Suspension

Any suspension of the Plan will continue until such time as the Board resolves either to recommence or terminate the Plan. If the Plan is recommenced then elections as to participation in respect of the previously suspended Plan will be valid and have full force and effect in accordance with these Rules for the purposes of the recommenced Plan.

9.4 Termination

If the Plan is terminated by the Company or suspended for 2 or more consecutive dividends, the Company will as soon as practicable:

- (a) forward to each Shareholder then participating in the Plan a statement of the Shareholder's Plan Account in respect of each Holding up to the date of termination; and
- (b) make the payments, if any, required under Rule 5.4.

10. Application and notices

10.1 Form

Applications and notices to the Company must be in writing and in the form prescribed by the Board from time to time (or in such other form as the Board may accept). In relation to any applications or notices received by the Company, the Company may:

- (a) accept or reject that application or notice where not properly completed or signed; and
- (b) correct any error in, or omission from, that application or notice, prior to acceptance of that application or notice.

10.2 Effective time

Applications and notices will be effective upon receipt by the Company subject to:

- (a) these Rules;
- (b) in the case of applications to participate, acceptance by the Company; and
- (c) receipt of the application or notice by the Company before the relevant Record Date for determining entitlements to dividends.

Applications or notices received on or after the relevant Record Date will not be effective in respect of that dividend payment but will be effective from the next relevant Record Date.

11. General

11.1 Commencement and implementation of the Plan

The Plan will commence on the date determined by the Board. Subject to the Constitution of the Company, the Board may implement the Plan in such manner as the Board thinks fit.

11.2 Problems and disputes

Without prejudice to the general powers of the Board under the Constitution and these Rules, the Board may settle in such manner as the Board thinks fit any problem or dispute which may arise in connection with, or by reason of, the operation of the Plan, whether generally or in relation to any Shareholder or Holding or any Share or Shares and the determination of the Board will be conclusive and binding on all Shareholders and other persons to whom the determination relates.

11.3 Company entitled to dividends

Any dividend payable on Plan Shares which the Company is entitled to retain as a result of any lien or charge in favour of the Company in accordance with the Constitution or other requirement of law will not be available for the purpose of participating in the Plan.

11.4 Acknowledgements

By applying to participate in the Plan, each Shareholder acknowledges that:

- (a) neither the Company nor the share registry has provided it with investment, financial product, taxation or other advice concerning its decision to apply to participate in the Plan and that neither the Company nor the share registry has any obligation to provide such advice; and
- (b) neither the Company nor the share registry nor any of their respective officers or employees will be liable or responsible to any Shareholder for any loss or alleged loss or disadvantage suffered or incurred by a Shareholder as a result, directly or indirectly, of the establishment or operation of the Plan or participation in the Plan.

11.5 Costs

No brokerage, commission or other transaction costs will be payable by any Shareholder in respect of Shares issued or acquired under the Plan and no stamp duty or other duties will be payable under present law in respect of Shares issued or acquired under the Plan.

11.6 Governing law

The Plan, its operation and these Rules will be governed by and construed in accordance with the laws of New South Wales, Australia.