

27 February 2018

## **ILUKA RESOURCES DIVIDEND REINVESTMENT PLAN INTRODUCED**

Iluka Resources Ltd (Iluka) has introduced a new Dividend Reinvestment Plan ("the new Plan"), under which eligible shareholders are able to invest all or a portion of their dividend entitlements in additional Iluka shares. The previous Iluka dividend reinvestment plan (introduced in 2007) was suspended in 2010 and has been terminated by the Board of Directors.

The new Plan will operate with effect from 28 March 2018, being the record date for the final dividend payable in respect of the period ended 31 December 2017.

A complete copy of the rules of the new Plan is attached. Also attached is the Chairman's Letter and Shareholder Information Booklet outlining key features of the new Plan. A copy of the rules of the new Plan, Chairman's Letter, and Shareholder Information Booklet can also be obtained from the Investors and Media section of the Iluka website, <http://www.iluka.com/investors-media/shares-dividends>.

Materials regarding the new Plan will be dispatched to eligible shareholders shortly together with a participation form to enable them to nominate their level of participation. The participation form will also be available on the Computershare Investor Services Pty Limited website, [www.computershare.com.au/easyupdate/ilu](http://www.computershare.com.au/easyupdate/ilu).

Participation forms will need to be received by 5.00pm (AEDT) on 29 March 2018 in order to be effective for the 2017 final dividend.

### **Investment market enquiries:**

Adele Stratton  
General Manager Finance and Investor Relations  
Phone: + 61 (0) 8 9360 4631  
Mobile: +61 (0) 415 999 005  
Email: [adele.stratton@iluka.com](mailto:adele.stratton@iluka.com)

### **Media enquiries:**

Luke Woodgate  
Manager, Corporate Affairs  
Phone: + 61 (0) 8 9360 4785  
Mobile: +61 (0) 477 749 942  
Email: [luke.woodgate@iluka.com](mailto:luke.woodgate@iluka.com)

26 February 2018

ASX: ILU

## **ILUKA DIVIDEND REINVESTMENT PLAN**

Dear Shareholder

We are pleased to announce the introduction of a new Dividend Reinvestment Plan (**DRP**) allowing all eligible shareholders to reinvest either all or part of your dividend payments into additional fully paid Iluka shares.

### **Key features of the DRP**

- The DRP is a convenient way to increase your holding of Iluka shares.
- Shares acquired by shareholders under the DRP are free of brokerage, commission or other transaction costs.
- DRP participation does not affect your eligibility for any franking credits.
- Participation in the DRP is optional and available to shareholders with registered addresses in Australia.
- You may apply the DRP to part or all of your total shareholding and there is no minimum or maximum limit on the number of your shares that may participate.
- You may join, vary your participation in, or withdraw from, the DRP at any time, subject to adequate notice being given.
- Shares allocated to you under the DRP rank equally with existing shares.
- Once you elect to participate, the DRP will continue to apply for future dividend payments, unless you advise otherwise or unless the DRP is suspended or terminated by the Board.

The DRP will be available for the 2017 final dividend, payable on 23 April 2018.

Iluka expects shares allocated to participants in the DRP for the 2017 final dividend to be by way of an issue of new shares to participating shareholders. A discount of 1.5% will apply to the allocation price for the 2017 final dividend under the DRP. The issue price will be the arithmetic average of the daily volume-weighted average price of Iluka shares over the 10 trading days commencing on 3 April 2018, calculated in accordance with the DRP Rules.

For further information on the DRP including the Rules of the DRP, please visit our website <http://www.iluka.com/investors-media/shares-dividends>. Answers to some frequently asked questions are also provided in the accompanying Shareholder Information Booklet.

Iluka recommends you seek financial advice and read the full terms and conditions set out in the DRP Rules before deciding whether to participate.

In order to participate in the DRP for the 2017 final dividend, you will need to ensure your DRP participation form is received, or your online election is made, by no later than 5pm (AEDT) on 29 March 2018.

Any elections made under the previous Dividend Reinvestment Plan will be invalid and a new election will be required.

You can make your election online by visiting [www.computershare.com.au/easyupdate/ilu](http://www.computershare.com.au/easyupdate/ilu). Alternatively, a DRP participation form accompanies this letter.

For more information please visit <http://www.iluka.com/investors-media/shares-dividends> or contact the Company's share registry, Computershare, by phone on 1300 733 043 (within Australia) or +61 3 9415 4801 (outside Australia).

Yours sincerely

A handwritten signature in black ink, appearing to read 'G. Martin', with a horizontal line underneath the name.

**Greg Martin**  
Chairman  
Iluka Resources Limited



**ILUKA**

## **Dividend Reinvestment Plan Shareholder Information Booklet**

26 February 2018

# Dividend Reinvestment Plan Shareholder Information Booklet

## Dividend Reinvestment Plan (DRP)

### What is the DRP?

The DRP enables you, as a shareholder in Iluka Resources Limited (**Iluka**), to reinvest all or part of any dividend paid on your shares in additional Iluka shares instead of receiving that dividend in cash.

Your participation in the DRP is entirely optional.

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

### Who can participate?

All shareholders of fully paid Iluka ordinary shares who are resident in, and whose address on the register of shareholders at the relevant dividend record date is in Australia may participate in the DRP, subject to certain limits set out in the DRP Rules.

### How do I participate in the DRP?

If you wish to participate in the DRP, we encourage you to make your election online at [www.computershare.com.au/easyupdate/ilu](http://www.computershare.com.au/easyupdate/ilu).

Alternatively, please complete and sign the DRP participation form and return it to the Company's share registry at the address below. If a DRP participation form does not accompany this booklet, please contact the Company's share registry:

**Computershare Investor Services Pty Limited**  
**GPO Box 2975**  
**Melbourne VIC 3001**  
**(Within Australia) 1300 733 043**  
**(Outside Australia) +61 3 9415 4801**

DRP participation forms must be received, or online elections made, by 5:00pm (AEDT) on the first business day following the record date for a dividend.

## Can I participate in the DRP for some of my shares?

Yes, you can nominate all of your shares or a specific number of your shares to participate in the DRP.

**Full participation:** If you elect full participation, dividends on all of your shares will be reinvested in acquiring new shares. Dividends on any shares you may acquire in the future will also be reinvested in this way (including dividends on any additional shares you acquire under the DRP).

**Partial Participation:** If you elect partial participation, you nominate a number of your shares which participate in the DRP. Only the dividends paid on those shares that you nominate will be reinvested. For shares not participating in the DRP, dividends will be paid in the usual way.

If your DRP participation form or online election does not clearly indicate the level of participation in the DRP, it will be deemed to be an application for full participation.

## Is there a minimum or maximum participation level?

Iluka has the discretion under the DRP Rules to introduce a minimum or maximum participation level. For the 2017 final dividend there is no maximum or minimum participation level.

## When will my participation begin?

Your participation in the DRP will begin with the first dividend payment after receipt of your online election or participation form. Your election must be received by 5.00pm (AEDT) on the first business day following the relevant record date to be effective for that dividend.

For elections received after the DRP election date for a particular dividend, your participation will begin from the first dividend record date after receipt of your online election or participation form.

## What happens if I have more than one shareholding?

You must make a separate election for each shareholding registered under different names or holding numbers by either making an online election or submitting a separate participation form for each shareholding.

## Can I change my participation at any time?

Yes. Simply notify the share registry online or submit a new participation form. The change will be effective for the next dividend payment, provided that the election is received by 5.00pm (AEDT) on the business day following the relevant dividend record date for that dividend. If your change is received after that date, the change will not be effective until the following dividend.

Iluka will announce the relevant dividend record date and DRP election cut-off date for each dividend to the ASX and on the Iluka website at the time it announces the dividend.

## Can I withdraw from the DRP?

Yes. Simply notify the share registry online or submit a termination form. The termination will be effective from the next dividend payment, provided that the notice is received by 5.00pm (AEDT) on the business day following the relevant dividend record date for that dividend. If your termination form notice is received after that date, the change will not be effective until the next dividend.

If you do wish to terminate from the DRP, we encourage you to make your termination election online at [www.computershare.com.au/easyupdate/ilu](http://www.computershare.com.au/easyupdate/ilu), or contact Computershare.

## At what price will the shares be allocated?

Shares will be allocated at the arithmetic average of the daily volume-weighted average price of Iluka shares over a period of at least 10 trading days (**Allocation Price**) following the election cut-off date, in accordance with the DRP Rules. The Allocation Price may be reduced by a discount, which the Board may determine from time to time and announce to the ASX. For the 2017 final dividend, Iluka intends to offer a discount of 1.5% to the Allocation Price.

## Will the shares allocated under the DRP be new or existing shares?

Under the DRP Rules, the Company can choose to issue new shares or acquire existing shares on market (or a combination of these two options) to satisfy its obligation to allocate shares to shareholders participating in the DRP.

## How will my DRP shares be treated for subsequent dividend payments?

**Full participation:** If you elect for all of your shares to participate in the DRP, all shares held by you at each dividend record date will be treated as participating in the DRP, including any shares previously acquired under the DRP.

**Partial participation:** If you elect for only some of your shares to participate in the DRP, only the number of shares you have specified will be treated as participating in the DRP. If you hold less shares than the number of shares you have specified in the participation form/election, then the dividends on the shares that you actually hold will be reinvested.

The number of shares that will be treated as participating in the DRP may be limited if Iluka elects to introduce a minimum or maximum participation limit.

## What will it cost me to participate?

Nothing. No brokerage fees, commission or other transaction costs will be payable for any shares allocated under the DRP.

## Can I sell my shares when I choose?

Yes. You can sell any or all of your shares at any time. However, if you sell all of your shares, your participation in the DRP will cease with effect from the date Iluka registers a transfer or instrument of disposal of your holding.

If you elect for full participation and then sell some of your shares, the dividends on your remaining shares will continue to be reinvested under the DRP. If you elect for partial participation and then sell some of your shares, the number of shares sold will be deemed to the full extent possible to be non-participating shares and the balance, if any, will be deemed to be participating shares under the DRP.

## Will I still receive franking credits on my dividends?

Yes. Participation in the DRP does not affect your eligibility for any franking credits.



## What about taxation?

For Australian shareholders, the Australian Taxation Office currently treats dividends reinvested under the DRP in the same way as cash dividends received on shares which are not participating in the DRP. These comments are general in nature only. You should seek professional taxation advice in relation to your individual circumstances.

## Will I receive a dividend statement?

After each allocation of shares under the DRP, a dividend statement will be provided to you in accordance with the manner you ordinarily receive notices from Iluka showing full details of shares allocated to you under the DRP. This statement should be kept for your taxation purposes.

## Can the DRP be modified, suspended or cancelled?

Iluka may vary the rules, alter, suspend or terminate the DRP at any time by notification on the Company's website and by notifying the ASX.

## What happens to any residual value after each dividend?

The application of the dividend reinvestment formula normally results in a residual amount. This is because your dividend amount will be used to acquire a whole number of shares, usually leaving a residual amount which is less than the price of one Iluka share.

For each dividend, if there is a residual amount, then the residual amount on each dividend will be carried forward, without interest, and added to your next dividend.

## What happens if I leave the DRP?

If you cease to participate in the DRP for any reason, or the DRP is suspended or terminated by Iluka, any positive residual balance in your DRP account will be paid to you.

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## **How do I find out about Iluka's historic dividend amounts?**

Historic information about Iluka's declared dividends and DRP prices are available on the dividend page of the website at <http://www.iluka.com/investors-media/shares-dividends>.

## **Need more information?**

If you have further questions (other than on taxation) about how the DRP operates and how you can participate, please contact Computershare on 1300 733 043 (within Australia) or +61 3 9415 4801 (outside Australia).



**ILUKA**

[www.iluka.com](http://www.iluka.com)

ACN 008 675 018



# Dividend Reinvestment Plan Rules

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**Iluka Resources Limited (Company)**

ACN 008 675 018

26 February 2018

## Table of contents

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|           |   |           |
|-----------|---|-----------|
| <b>1</b>  | <b>Definitions and interpretation</b>                                     | <b>2</b>  |
|           | 1.1 Definitions   | 2         |
|           | 1.2 Interpretation  | 5         |
| <b>2</b>  | <b>Commencement of the DRP</b>  | <b>6</b>  |
| <b>3</b>  | <b>Eligibility to participate</b>   | <b>6</b>  |
| <b>4</b>  | <b>Multiple holdings</b>  | <b>7</b>  |
| <b>5</b>  | <b>Broker, trustee or nominee accounts</b>                                | <b>7</b>  |
| <b>6</b>  | <b>Application to participate</b>   | <b>8</b>  |
| <b>7</b>  | <b>Extent of participation</b>  | <b>8</b>  |
| <b>8</b>  | <b>Minimum Participating Holding and Maximum Participating Holding</b>    | <b>9</b>  |
| <b>9</b>  | <b>Reinvestment of Dividends and residual balances</b>                    | <b>10</b> |
| <b>10</b> | <b>Price of Shares</b>  | <b>11</b> |
| <b>11</b> | <b>Allocation of Shares</b>   | <b>11</b> |
| <b>12</b> | <b>DRP statements</b>   | <b>12</b> |
| <b>13</b> | <b>The effect of applying for participation</b>                           | <b>12</b> |
| <b>14</b> | <b>Variation or termination of participation</b>                          | <b>13</b> |
| <b>15</b> | <b>Reduction or termination of participation where no notice is given</b> | <b>14</b> |
| <b>16</b> | <b>Variation, suspension and termination of the DRP or these Rules</b>    | <b>14</b> |
| <b>17</b> | <b>Costs to Participants</b>  | <b>15</b> |
| <b>18</b> | <b>Taxation</b>   | <b>15</b> |
| <b>19</b> | <b>Applications and other notices</b>                                     | <b>16</b> |
| <b>20</b> | <b>General</b>  | <b>16</b> |

# 1 Definitions and interpretation

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## 1.1 Definitions

The meanings of the terms used in these Rules are set out below.

| <b>Term</b>                    | <b>Meaning</b>  |
|--------------------------------|---|
| <b>Allocated Shares</b>        | the Shares allocated to the Participant under the DRP.  |
| <b>Allocated or Allocation</b> | <ol style="list-style-type: none"> <li>1 the issue of new Shares to; or</li> <li>2 the acquisition of Shares for,</li> </ol> a Participant under the DRP, as the case may be.   |
| <b>Allocation Price</b>        | in respect of an Allocation, the price at which those Shares are Allocated, calculated in accordance with rule 10.  |
| <b>ASX</b>                     | ASX Limited (ACN 008 624 691) or the stock market operated by ASX Limited (as the case may be).   |
| <b>Average Market Price</b>    | the arithmetic average of the daily volume weighted average price for Shares traded on ASX 'On-market' (as that term is defined in the ASX Operating Rules) during the relevant period, excluding: <ol style="list-style-type: none"> <li>1 special crossings, overseas trades, trades pursuant to the exercise of options, overnight trades and any other trades that are excluded from an ASX volume weighted average price calculation; and</li> <li>2 any trades that the Company determines to exclude on the basis that the trades are not fairly reflective of natural supply and demand.</li> </ol> |
| <b>Board</b>                   | the board of directors of the Company.  |
| <b>Business Day</b>            | a day which is a business day within the meaning of the Listing Rules.  |
| <b>Company</b>                 | Iluka Resources Limited ACN 008 675 018.  |

| <b>Term</b>                  | <b>Meaning</b>   |
|------------------------------|--|
| <b>Constitution</b>          | the constitution of the Company as varied from time to time.   |
| <b>Discount</b>              | the percentage discount (if any) determined by the Company from time to time to be applied in calculating the Allocation Price per Share under rule 10.  |
| <b>Dividend</b>              | any dividend per Share announced and payable by the Company.   |
| <b>Dividend Payment</b>      | for a Shareholder, the relevant Dividend multiplied by the number of Shares held by that Shareholder as at the relevant Dividend Record Date, subject to rule 20(d) and less any resident and/or non-resident withholding tax or any other amounts the Company is entitled or required to deduct from the payment. |
| <b>Dividend Payment Date</b> | the date on which the Dividend is payable, as announced by the Company.  |
| <b>Dividend Record Date</b>  | the date and time, as determined by the Company, at which a person holds or is taken to hold Shares for the purpose of determining the entitlement of Shareholders to Dividends.   |
| <b>DRP</b>                   | the Company's dividend reinvestment plan to which these Rules apply, as varied from time to time.  |
| <b>DRP account</b>           | the account established and maintained by the Company for each Participant under the DRP.  |
| <b>Election Date</b>         | has the meaning given in rule 19(c).   |
| <b>Eligible Shareholder</b>  | has the meaning given in rule 3.   |
| <b>Full Participation</b>    | has the meaning given in rule 7(b).  |
| <b>Listing Rules</b>         | the listing rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the official list of ASX, except to the extent of any waiver by ASX.   |

| <b>Term</b>                          | <b>Meaning</b>   |
|--------------------------------------|--|
| <b>Maximum Participating Holding</b> | the number of Shares (if any) determined by the Company from time to time under rule 8(c).   |
| <b>Minimum Participating Holding</b> | the number of Shares (if any) determined by the Company from time to time under rule 8(a).   |
| <b>Partial Participation</b>         | has the meaning given in rule 7(c).  |
| <b>Participating Shares</b>          | Shares which a Shareholder has validly elected for participation in the DRP or which are otherwise taken under these Rules to participate in the DRP.  |
| <b>Participant</b>                   | a Shareholder some or all of whose Shares are Participating Shares.  |
| <b>Participation Notice</b>          | a form, whether written or electronic, used to apply for, vary or terminate participation in the DRP, as approved by the Company from time to time.  |
| <b>Pricing Period</b>                | in respect of a Dividend, the period determined by the Company, being a period of not less than 10 Trading Days (commencing after the relevant Election Date, as determined by the Company).       |
| <b>Related Body Corporate</b>        | in relation to a body corporate, another body corporate that is related to the first-mentioned body by virtue of section 50 of the <i>Corporations Act 2001</i> (Cth).                             |
| <b>Requirements</b>                  | the <i>Corporations Act 2001</i> (Cth), the Listing Rules and the operating rules of ASX, including the ASX Operating Rules, the ASX Clear Operating Rules and the ASX Settlement Operating Rules. |
| <b>Rules</b>                         | these rules of the DRP as varied from time to time.  |
| <b>Share</b>                         | a fully paid ordinary share in the capital of the Company.   |



| <b>Term</b>           | <b>Meaning</b>  |
|-----------------------|---|
| <b>Shareholder</b>    | a registered holder of Shares at a relevant Dividend Record Date.   |
| <b>Share Registry</b> | the share registry which maintains the Company's share register.  |
| <b>Trading Day</b>    | a full day on which Shares are quoted, and not suspended from quotation or made subject to a trading halt on ASX, provided that it is not a day on which ASX is closed or on which trading on ASX is suspended generally. |

## 1.2 Interpretation

In these Rules headings are for convenience only and do not affect interpretation and unless the context requires otherwise:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined have a corresponding meaning;
- (d) any reference in these Rules to any enactment, part of an enactment, the Listing Rules, the ASX Operating Rules, the ASX Clear Operating Rules or the ASX Settlement Operating Rules includes a reference to that enactment, part of that enactment, those Listing Rules, ASX Operating Rules, ASX Clear Operating Rules or ASX Settlement Operating Rules as from time to time amended, consolidated, re-enacted or replaced and, in the case of an enactment, all regulations and statutory instruments issued under it;
- (e) a reference to a body, whether statutory or not:
  - (1) which ceases to exist; or
  - (2) whose powers or functions are transferred to another body,
 is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (f) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;
- (g) a reference to dollars or \$ is to Australian currency;
- (h) unless otherwise determined by the Company or specified below, a reference to a price is to the relevant dollar amount rounded to 4 decimal places; and
- (i) all references to time are to Perth time.

## 2 Commencement of the DRP

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The DRP and these Rules will commence operation on such date as the Company in its sole discretion determines.

## 3 Eligibility to participate

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- (a) The Company may from time to time invite Shareholders to participate in the DRP.
- (b) Participation in the DRP is subject to these Rules.
- (c) Participation in the DRP by Eligible Shareholders:
  - (1) is optional and voluntary;
  - (2) is not transferable; and
  - (3) may be varied or terminated at any time in accordance with rule 14.
- (d) Subject to rules 3(e) and (f), an **Eligible Shareholder** is, in respect of a particular Dividend Record Date, a person who, at that Dividend Record Date, was recorded in the Company's share register as a registered holder of at least the Minimum Participating Holding (if any) and whose address in the Company's share register at the relevant Dividend Record Date:
  - (1) is in Australia ; or
  - (2) is in a jurisdiction in which the Company is satisfied that the offer and issue or transfer of Shares under the DRP is lawful and practicable, provided that the Board may determine that:
    - (3) a Shareholder, or a class of Shareholders, are not Eligible Shareholders if they are, or hold Shares on behalf of other persons who are, resident outside the jurisdictions mentioned in paragraphs (1) and (2) above; and
    - (4) a Shareholder, or a class of Shareholders, are Eligible Shareholders notwithstanding that they are resident outside the jurisdictions mentioned in paragraphs (1) and (2) above.
- (e) The Board is entitled to make a final determination as to whether or not any particular Shareholder is an Eligible Shareholder for the purposes of these Rules, and to change any such determination, as and when it sees fit. In making this determination, the Board may consider, among other things, whether such participation would or may be impracticable, impossible or illegal and any actual or anticipated inconvenience or expense in allowing, or investigating the possibility of allowing, such participation.

- (f) The Board has the discretion to refuse to accept any person's Shares for participation in the DRP and to suspend or withdraw any person's Shares from participation (including declining to issue or transfer or reducing the issue or transfer of Shares under the DRP to a Participant) if the Company considers that the participation of those Shares might:
- (1) breach any law of Australia including the *Foreign Acquisitions and Takeovers Act 1975* (Cth), the Listing Rules or the Constitution; or
  - (2) prejudice the effective operation of the DRP; or
  - (3) be undesirable or impractical.
- (g) It is the responsibility of each Shareholder to obtain any necessary approvals to enable that Shareholder to participate in the DRP.

## 4 Multiple holdings

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- (a) Where an Eligible Shareholder has more than one holding of Shares:
- (1) each holding will be treated as separate for the purposes of the DRP, such that a separate Participation Notice must be lodged with respect to each separate holding that is to participate; and
  - (2) these Rules will apply as if each such holding were held by a separate Participant,
- unless the Board determines otherwise.
- (b) If Shares are jointly held by two or more Eligible Shareholders, all joint holders of such Shares must sign a single Participation Notice 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 DRP with respect to the Shares jointly held.

## 5 Broker, trustee or nominee accounts

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- If:
- (a) a shareholding account appearing in the Company's share register relates to a:
- (1) broker's clearing account;
  - (2) trustee; or
  - (3) nominee; and

- (b) the broker, trustee or nominee notifies the Company:
- (1) that the relevant Shares are held for a number of different persons; and
  - (2) specifies the number of Shares held for each of such persons as at a particular Dividend Record Date (although the names of such persons need not be specified),

then the Board may determine that each such holding shall, as at that Dividend Record Date, be taken to represent a separate Shareholder for the purpose of the Minimum Participating Holding (if any) and the Maximum Participating Holding (if any), and these Rules will be read and interpreted accordingly.

## 6 Application to participate

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- (a) Subject to the discretion of the Company, an application to participate in the DRP must be made by submitting a Participation Notice in accordance with rule 19. An Eligible Shareholder's participation in the DRP will take effect in accordance with rule 19(b).
- (b) A Participation Notice validly submitted or otherwise accepted by the Company remains in effect until:
- (1) the Participant varies or terminates participation in the DRP under these Rules;
  - (2) the Company terminates the DRP under rule 16; or
  - (3) the Participant ceases to be an Eligible Shareholder under rule 3, in which case the Participation Notice will become effective again if and at such time as the Shareholder recommences to be an Eligible Shareholder.

## 7 Extent of participation

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- (a) Participation may be either full or partial. A Participation Notice must specify whether the Shareholder has elected Full Participation or Partial Participation, and if Partial Participation is elected, the Participation Notice must clearly specify the number of Shares that are to be Participating Shares.
- (b) **Full Participation** means that all Shares registered in the Participant's name from time to time (subject to the Maximum Participating Holding (if any)) are Participating Shares. Where a Shareholder has elected Full Participation, all Shares subsequently acquired and held by that Participant (whether under the DRP or otherwise) will be Participating Shares, subject to:
- (1) the Requirements;
  - (2) any later Participation Notice submitted by that Participant; and
  - (3) the Maximum Participating Holding (if any).

- (c) **Partial Participation** means that only the number of Shares specified as participating in the Participation Notice by the Shareholder are Participating Shares (subject to the Maximum Participating Holding (if any)). However, if at the relevant Dividend Record Date the number of Shares held by the Participant is less than the specified number of Shares, the DRP applies to the lesser number of Shares (and the Participant is deemed to have lodged a Participation Notice to this effect for the relevant Dividend). This means that, where a Shareholder has elected Partial Participation, Shares in excess of the number specified as participating that are subsequently acquired by that Shareholder (whether under the DRP or otherwise), will not participate in the DRP unless that Shareholder submits a further Participation Notice in accordance with rule 14.
- (d) If a Participation Notice does not, in the opinion of the Company, clearly indicate the level of participation in the DRP, it will be deemed to be an application for Full Participation.
- (e) The Company shall not be liable to any Eligible Shareholder for any loss, damage or claim in respect of that Eligible Shareholder's participation as a result of the operation of rules 7(b), (c) or (d).

## 8 Minimum Participating Holding and Maximum Participating Holding

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- (a) The Company may determine a minimum permitted number of Participating Shares per Participant (whether in respect of a particular Dividend or Dividends generally) from time to time by notification on the Company's website and by notice to ASX.
- (b) To the extent that a Participation Notice has specified a number of Participating Shares less than a prevailing Minimum Participating Holding (including an election of Full Participation where the number of Participating Shares would otherwise be less than that limit), for so long as the Minimum Participating Holding applies:
  - (1) the number of Participating Shares for that Participant for the purposes of these Rules is deemed to be zero; and
  - (2) any Shares specified in the Participation Notice as Participating Shares are deemed not to be Participating Shares, and any Dividend payable in respect of them will be paid by the Company in accordance with its usual arrangements for the payment of Dividends.
- (c) The Company may determine a maximum permitted number of Participating Shares per Participant (whether in respect of a particular Dividend or Dividends generally) from time to time by notification on the Company's website and by notice to ASX.

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

## 9 Reinvestment of Dividends and residual balances

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- (a) Each Dividend Payment payable to a Participant in respect of Participating Shares will be applied by the Company on the Participant's behalf in acquiring additional Shares by issue or transfer in accordance with these Rules.
- (b) A Dividend payable in respect of Participating Shares is not available for reinvestment under the DRP to the extent that the Company is entitled to and does retain or otherwise deals with the Dividend in accordance with its Constitution or any legal requirements (including withholding tax).
- (c) The Company will establish and maintain a DRP account for each Participant. In respect of each Dividend payable to a Participant, the Company will:
  - (1) determine the Dividend Payment in respect of that Participant's Participating Shares;
  - (2) credit the amount in rule 9(c)(1) to the Participant's DRP account, and that payment constitutes payment of the Dividend on the Participant's Participating Shares;
  - (3) determine the maximum whole number of additional Shares which may be acquired under the DRP at the Allocation Price by dividing the amount in the Participant's DRP account by the Allocation Price and rounding that number down to the nearest whole number;
  - (4) on behalf of and in the name of the Participant, subscribe for or purchase the number of Shares determined under rule 9(c)(3) and debit the Participant's DRP account with the total of the price for the Allocated Shares; and
  - (5) retain in the Participant's DRP account, without interest and on the terms set out in these Rules, any cash balance remaining (rounded down to the nearest cent) unless and until the cash balance is applied in accordance with these Rules.

- (d) Subject to rule 9(e), any residual balance in a Participant's DRP account will be aggregated with any further Dividend Payment credited to the Participant's DRP account.
- (e) Where:
  - (1) the DRP is suspended or terminated by the Company pursuant to these Rules; or
  - (2) the Participant ceases to participate in the DRP for whatever reason, any positive residual balance in the Participant's DRP account will be paid to the Participant.

## 10 Price of Shares

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- (a) Shares are Allocated under the DRP at the Allocation Price, which is the Average Market Price of Shares during the Pricing Period, less the Discount (if any) determined by the Company. The determination by the Company of the Allocation Price is binding on all Participants.
- (b) The Average Market Price must be calculated by the Company or another suitable person nominated by the Company, by reference to information the Company approves for that purpose from time to time.
- (c) A Discount (if any) or Pricing Period may be different from one Dividend to the next, and either may be determined or varied by announcement on the Company's website and to ASX at any time.

## 11 Allocation of Shares

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- (a) The Company may, in its discretion, either:
  - (1) issue new Shares; or
  - (2) cause existing Shares to be acquired for transfer to Participants; or
  - (3) undertake any combination of the options above,to satisfy the Company's obligations under these Rules.
- (b) If the Company decides to cause the transfer of Shares to Participants, those Shares may be acquired in such manner as the Company considers appropriate.
- (c) All Shares newly issued under the DRP will, from the date of Allocation, rank equally in all respects with existing Shares unless the Company determines that they are not to participate in either or both of:
  - (1) the next Dividend paid; and
  - (2) any offer of Shares open when the Shares are issued under the DRP.
- (d) Shares will be Allocated within the time required by ASX.

- (e) Shares Allocated pursuant to the DRP will be registered on the share register on which the Participant already holds Shares or if the Participant holds Shares on more than one share register, on the share register which the Company determines.
- (f) Where the Shares Allocated pursuant to the DRP are not quoted on ASX at the time the Allocation is effected, the Company will, at its own cost, apply (or procure the application) for quotation of those Shares on ASX within the time required by the Listing Rules.

## 12 DRP statements

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On, or as soon as practicable after, each Dividend Payment Date, the Company must forward to each Participant a statement in a form determined by the Board detailing:

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

## 13 The effect of applying for participation

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By applying to participate in the DRP, the Shareholder:

- (a) warrants to the Company that it is an Eligible Shareholder;
- (b) acknowledges that Dividends reinvested under the DRP will be assessable for applicable income tax in the same way as cash Dividends;
- (c) authorises the Company (and its officers or agents) to correct any error in, or omission from, any other notice or application contemplated by rule 19 (including, but not limited to, a Participation Notice);



- (d) acknowledges that the Company may at any time irrevocably determine that the Shareholder's Participation Notice is valid, in accordance with these Rules, even if the Participation Notice is incomplete, contains errors or is otherwise defective;
- (e) acknowledges that the Company may reject any Participation Notice;
- (f) consents to the establishment of a DRP account on its behalf;
- (g) consents to any entitlement to a fraction of a Share produced by the calculation in rule 9(c) being dealt with in accordance with rule 9;
- (h) agrees to the appointment of the Company, or a nominee (including a broker or the Share Registry) appointed by the Company, as the Participant's agent to acquire Shares on ASX where the Company decides to Allocate Shares to Participants by acquiring existing Shares in accordance with rule 11 (and for the avoidance of doubt, the Shareholder agrees to the Company or its nominee taking all steps necessary to register the Shares in the Shareholder's name, including the execution of any share transfers required);
- (i) acknowledges that the Company may, in its absolute discretion, arrange for the DRP to be fully or partially underwritten in respect of any one or more Dividends with one or more underwriters;
- (j) acknowledges that neither the Company nor the Share Registry has provided the Shareholder with investment advice, financial product advice or any securities recommendation concerning its decision to apply to participate in the DRP and that neither has any obligation to provide any such advice or recommendation;
- (k) acknowledges that neither the Company nor the Share Registry (nor any officer of the Company or the Share Registry) will be liable or responsible to the Shareholder for any loss or disadvantage suffered or incurred by the Shareholder as a result, directly or indirectly, of the establishment or operation of the DRP or participation in the DRP or in relation to any advice given with respect to participation in the DRP; and
- (l) unconditionally agrees to the Rules and agrees not to do any act or thing which would be contrary to the spirit, intention or purpose of the DRP or the Rules,

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

## 14 Variation or termination of participation

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- (a) A Participant may at any time give notice to the Company (via the Share Registry using the Participation Notice) of the Participant's decision to:
  - (1) increase or decrease the number of Shares participating in the DRP;  
or
  - (2) terminate the Participant's participation in the DRP.

The alteration or termination takes effect in accordance with rule 19.

- (b) If a Participant increases its level of participation to Full Participation, rule 7(b) applies.
- (c) If a Participant decreases its level of participation or increases its level of participation to a level below Full Participation, rule 7(c) applies.
- (d) If a Participant dies, participation in the DRP terminates upon receipt by the Company of written notice of the death. If a Participant is declared bankrupt or is wound-up, participation in the DRP terminates upon receipt by the Company of a notification of bankruptcy or winding-up from the Participant or the Participant's trustee in bankruptcy or liquidator, as the case may be. The death, bankruptcy or winding-up of one or more joint holders does not automatically terminate participation provided the remaining holder or all remaining joint holders are Eligible Shareholders.
- (e) Upon termination of participation for whatever reason (including termination of the DRP under rule 16), the Company must forward, unless otherwise directed, to the Participant a statement of the Participant's DRP account made out to the date of termination.

## 15 Reduction or termination of participation where no notice is given

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- (a) Where all of a Participant's Shares are Participating Shares and the Participant disposes of some (but not all) of those Shares, then subject to rule 14(a), the remaining Shares held by the Participant continue to be Participating Shares.
- (b) Where only some of a Participant's Shares are Participating Shares and the Participant disposes of part of the Participant's total holding, then the Shares disposed of are deemed not to be Participating Shares. If the number of Shares disposed of is more than the number of the Participant's Shares not participating in the DRP, the disposal is deemed to include all the Participant's holding not participating in the DRP, and the balance (if any) will be attributed to Participating Shares.
- (c) Where a Participant disposes of all its Shares, the Participant is deemed to have terminated participation in the DRP with respect to the holding on the date the Company registered a transfer or instrument of disposal of the Participant's holding.

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

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- (a) The DRP or these Rules may be varied, suspended or terminated by the Company at any time by notification on the Company's website and by notice to ASX. For the avoidance of doubt, where the Company has announced that the

DRP will operate in respect of a Dividend, the Company retains the discretion to suspend the DRP in respect of that Dividend at any time prior to the Dividend Payment Date.

- (b) The variation, suspension or termination takes effect upon the date specified by the Company and the variation, suspension or termination does not give rise to any liability on the part of, or right of action against, the Company or its officers, employees or agents.
- (c) If the DRP or these Rules are varied, a Participant continues to participate under the DRP and these Rules in their varied form unless the Participant varies or terminates its participation in the DRP by submitting a Participation Notice in accordance with these Rules.
- (d) If the DRP is suspended, an election as to participation in the DRP will also be suspended and all Shares are deemed to be non-Participating Shares for the purpose of any Dividend paid while the DRP is suspended.
- (e) Any suspension under rule 16(d) will continue until such time as the Board resolves to recommence or terminate the DRP.
- (f) The DRP may be reinstated following a suspension in accordance with this rule 16 by notification on the Company's website and by notice to ASX. Upon reinstatement of the DRP, all prior elections will be reinstated and will continue to apply until a new valid Participation Notice is lodged, unless the Company determines otherwise.

## 17 Costs to Participants

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No brokerage, commission, or other transaction costs are payable by Participants in respect of Shares Allocated under the DRP and no stamp or other duties are payable, under present law, by Participants in respect of Shares Allocated under the DRP. The Company may, to the extent permitted by law, apply its funds in the payment of brokerage, commission, or other transaction costs in respect of Shares Allocated under the DRP.

## 18 Taxation

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Neither the Company nor any of its officers, employees, representatives or agents:

- (a) take any responsibility or assume any liability for, or as a consequence of, the tax liabilities of any person in connection with the DRP; or
- (b) 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 DRP.

## 19 Applications and other notices

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- (a) Applications and notices to the Company must be in the form prescribed by the Company from time to time. The Company may determine that applications and notices to the Company may be lodged electronically either through the Company's website or that of an authorised third party (including the Share Registry). Any application or notice lodged electronically must comply with the applicable terms and conditions of the electronic lodgement facility.
- (b) Subject to rules 19(c) and (d), applications and notices are effective upon receipt by the Company or the Share Registry (as appropriate).
- (c) Unless the Board determines otherwise, applications or notices received more than one Business Day after a Dividend Record Date (the **Election Date**) are not effective in respect of that Dividend but are effective in respect of subsequent Dividends.
- (d) Without limiting rule 13(c), the Company has absolute discretion to:
  - (1) accept or reject an application or notice which is not properly completed or signed; and
  - (2) prior to acceptance, clarify with an Eligible Shareholder any instruction with respect to an application/notice in order for the application/notice to be properly completed.
- (e) The accidental omission by the Company to give any notice under these Rules to any Shareholder, ASX or any other person will not invalidate any act, matter or thing.
- (f) For the purposes of this rule 19, an application or notice includes, but is not limited to, a Participation Notice.

## 20 General

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- (a) The Company will record, with respect to each Participant:
  - (1) the name and address of the Participant (being the name and address in the Company's share register from time to time); and
  - (2) the number of Participating Shares held by the Participant from time to time.
- (b) The Company's records are conclusive evidence of the matters recorded in them.
- (c) Any power, discretion or function of the Company under these Rules may be exercised or undertaken by the Board, and the Board may delegate any such power, discretion or function to any person.

- (d) Any Dividend payable on Participating Shares which the Company is entitled to retain as a result of a charge or lien in favour of the Company in accordance with the Constitution, or other requirement of law, is not available for the purpose of participating in the DRP.
- (e) Subject to the Constitution, the Company may:
  - (1) implement the DRP in the manner the Company thinks fit; and
  - (2) settle any difficulty, anomaly or dispute which may arise either generally or in a particular case in connection with, or by reason of, the operation of the DRP or these Rules as the Company thinks fit, whether generally or in relation to any Shareholder or DRP account or any Shares, and the determination of the Company is conclusive and binding on all relevant Shareholders and other persons to whom the determination relates.
- (f) Neither the Company nor any officer, employee, agent or adviser of it is liable or responsible to any Shareholder or Participant for any loss or alleged loss or disadvantage suffered or incurred by them as a result, directly or indirectly, of any one or more of:
  - (1) the establishment or operation of the DRP;
  - (2) participation or non-participation in the DRP; or
  - (3) any advice given with respect to participation in the DRP by any person.
- (g) The DRP, its operation and these Rules are governed by the laws of the State of Western Australia and each Shareholder submits to the jurisdiction of the Courts of that State and the Courts which may hear appeals from those Courts.
- (h) Despite anything else in these Rules, the Listing Rules prevail to the extent of any inconsistency with these Rules.