

AUSTIN ENGINEERING LIMITED
ACN 078 480 136

DIVIDEND REINVESTMENT PLAN

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ACN 078 480 136
(Company)

DIVIDEND REINVESTMENT PLAN

TERMS AND CONDITIONS

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

When used in this Plan the following words have the following meanings:

AEST means Australian Eastern Standard Time.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Market Rules means the market rules of ASX as waived or modified from time to time.

Business Day means the day on which the banks are open for general banking business in Brisbane, Queensland.

Closing Date means the date on which the Company's share register is closed for the purposes of determining Shareholder entitlements to Dividends to which any proposed allotment under this Plan will relate, as notified by the Company from time to time.

Company means Austin Engineering Limited (ACN 078 480 136).

Daily VWAP means, for a Trading Day, the volume weighted average market price of all Shares sold on ASX on that Trading Day, not including sales arising from Excluded Transactions.

Directors mean the directors of the Company.

Dividend means a cash dividend or cash component of a dividend paid by the Company.

Dividend Payment Date means the date on which a Dividend is payable, as announced by the Directors.

Dividend Reinvestment Price means the price which is the arithmetic average of the Daily VWAP of the Shares over the Pricing Period for that Dividend discounted by an amount to be determined by the Directors in their absolute discretion, rounded to 4 decimal places. If no Shares have been sold in the relevant Pricing Period, the Dividend Reinvestment Price will be determined by the Directors at their sole and absolute discretion as representing the fair market value of Shares.

Dividend Shares means Shares (including Participating Shares) upon which a Dividend is payable.

Election means a request made by a Shareholder (or Shareholders in the case of joint holdings) to the Company on an Election Form in accordance with clause 14.

Election Date means the Business Day immediately after the relevant Closing Date.

Election Form means the form approved by the Directors from time to time, which may (without limitation) be combined with or form part of any other form or notice.

Excluded Shares means Shares which, on any Closing Date, are not eligible to receive a full Dividend on the relevant allotment date.

Excluded Transaction means sale of Shares other than in the ordinary course of trading on ASX, including each of the following:

- (a) a transaction classified under the ASX Market Rules as a "Special Crossing";
- (b) a "Crossing" (as defined in the ASX Market Rules) outside the "Open Session State" (as defined in the ASX Market Rules);
- (c) any overseas trade;
- (d) any trade pursuant to the exercise of options over Shares;
- (e) any overnight crossing; and
- (f) any other sales which the Company considers may not be reflective of natural supply and demand.

Full Participation has the meaning set out in clause 5.3.

Listing Rules means 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, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

Non-Participant means a Shareholder who is not a Participant.

Non-Participating Shares means Shares that are not Participating Shares.

Non-Participation means where a Shareholder does not participate in the Plan to any degree of their shareholding.

Partial Participation has the meaning set out in clause 5.4.

Participant means a Shareholder participating in the Plan.

Participating Shares means Shares in respect of which the Shareholder is participating in the Plan.

Participation means Full Participation or Partial Participation.

Plan means the dividend reinvestment plan constituted by this document and incorporating these Terms and Conditions.

Pricing Period means the period of ten (10) Trading Days from (but not including) the Closing Date, unless otherwise determined by the Company.

Shareholder means a person holding Shares as at the Closing Date.

Share means a fully paid ordinary share in the capital of the Company and such other share in the Company as the Directors may from time to time determine and **Shares** means the plural of the same.

Terms and Conditions means the terms, provisions and conditions of this Plan as may be amended from time to time pursuant to clause 12.

Trading Day means the definition given to that expression in the Listing Rules, provided that:

- (a) any day on which there is a trading halt on the Shares, or during which trading in the Shares is suspended, for the entire day will not be a Trading Day; and
- (b) if there is a trading halt on the Shares, or trading in the Shares is suspended, for only part of the day, the Directors will determine at its discretion whether that day will be a Trading Day.

Trading Rules means:

- (a) the Listing Rules; and
- (b) the ASX Settlement Operating Rules (or other operating rules of a clearing and settlement facility that is a prescribed CS facility under the *Corporations Act 2001* (Cth)).

Variation means a request made by a Shareholder (or Shareholders in the case of joint holdings) to the Company on a Variation Form in accordance with clause 11.

Variation Form means the form approved by the Directors from time to time, which may (without limitation) be combined with or form part of any other form or notice.

1.2 Interpretation

In this Plan unless the context otherwise requires:

- (a) headings are for convenience only and do not affect its interpretation;
- (b) an obligation or liability assumed by, or a right conferred on, 2 or more persons binds or benefits each of them severally;
- (c) the expression **person** includes an individual, the estate of an individual, a corporation, an authority, an association or joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (d) a reference to any party includes that party's executors, administrators, successors and permitted assigns, including any person taking by way of novation;
- (e) a reference to any document (including this Plan) is to that document as varied, novated, ratified or replaced from time to time;
- (f) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;

- (g) words importing the singular include the plural (and vice versa) and words indicating a gender include every other gender;
- (h) references to parties, clauses, schedules, exhibits or annexures are references to parties, clauses, schedules, exhibits and annexures to or of this Plan and a reference to this Plan includes any schedule, exhibit or annexure to this Plan;
- (i) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (j) a reference to time is to Australian Eastern Standard Time as observed in Brisbane, Queensland;
- (k) where an action is required to be undertaken on a day that is not a Business Day it shall be undertaken on the next Business Day;
- (l) a reference to a payment is to a payment by bank cheque or such other form of cleared funds the recipient otherwise allows in the relevant lawful currency specified; and
- (m) a reference to **\$** or **dollar** is to the lawful currency of the Commonwealth of Australia.

2. THE DIVIDEND REINVESTMENT PLAN

2.1 Commencement of the Plan

The Plan and these Terms and Conditions will commence operation on such date as the Directors at their sole and absolute discretion determine.

2.2 Invite Shareholders to participate

The Company may from time to time invite Shareholders to participate in the Plan.

3. ELIGIBILITY

3.1 Eligibility

Subject to clause 3.2, all Shareholders are eligible to participate in the Plan.

3.2 Shareholders resident outside Australia

- (a) Allotments of Shares to Shareholders who are not resident in Australia at the time of allotment are subject to all necessary governmental approvals.
- (b) A Shareholder who is subject to the laws of a country or a place other than Australia may not be eligible to participate in the Plan because of legal requirements that apply in that country or place.
- (c) Before electing to participate in the Plan, Shareholders who are not resident in Australia should seek professional advice to ascertain if any restrictions apply.

- (d) The Directors may on any occasion determine, at their sole and absolute discretion, that the right to participate in the Plan is not available to Shareholders:
 - (i) whose registered addresses are in a country or place where the offer of a right of election would or might be unlawful if no registration statement is given or other formality complied with; or
 - (ii) if in the opinion of the Directors either the law of Australia or that of another country or some other matter or thing in the opinion of the Directors makes Shareholders' participation illegal, impossible or impracticable.

4. PARTICIPATION IN THE PLAN

4.1 Participation

Participation in the Plan is:

- (a) optional;
- (b) not transferable;
- (c) subject to the Terms and Conditions, the Trading Rules, the Company's Constitution and other applicable law; and
- (d) open to each Shareholder who is eligible under this Plan.

4.2 Application to Participate

- (a) Subject to the discretion of the Company, an application to participate in the Plan must be made by submitting an Election Notice in accordance with clause 14.1. A Shareholder's participation in the Plan will take effect in accordance with clause 14.3.
- (b) Subject to clause 14, an Election Form validly submitted or otherwise accepted by the Company remains in effect until:
 - (i) the Participant elects to terminate participation in the Plan or elects a Variation, in accordance with these Terms and Conditions;
 - (ii) the Company terminates or suspends this Plan under clause 12; or
 - (iii) the Participant ceases to be eligible to Participate, in which case the Election Notice will become effective again if and at such time as the Shareholder recommences to be eligible to Participate.

5. DEGREE OF PARTICIPATION

5.1 Full or Partial Participation

A Shareholder may participate in the Plan in respect of either:

- (a) some of the Shares registered in its name (**Partial Participation**); or

(b) all Shares registered in its name (**Full Participation**).

5.2 Election Form

A Shareholder must specify on the Election Form the degree to which the Shareholder wishes to participate in the Plan by:

- (a) indicating Full Participation; or
- (b) indicating how many Shares the Shareholder wishes to have participate in the Plan for Partial Participation.

5.3 Full Participation

In the case of Full Participation, all Shares registered in the Participant's name at the time of commencement of the Full Participation and all Shares subsequently registered in the Participant's name (including Shares issued pursuant to the Plan) will be subject to the Plan.

5.4 Partial Participation

In the case of Partial Participation, only that number of Shares elected by the Participant for participation in the Plan and Shares issued pursuant to the Plan will be subject to the Plan.

5.5 Deemed Full Participation

An Election Form received by the Company which indicates a number of Participating Shares in excess of the number of Shares held by the Shareholder making the Election, is deemed to be an Election for Full Participation.

5.6 Failure to indicate degree of Participation

An Election which does not indicate the degree of participation in the Plan, may, without notice to the Shareholder and at the discretion of the Company, either be rejected or deemed by the Company to be an Election for Full Participation. The Company is not liable to any Shareholder for any loss, damage or claim in respect of either the Shareholder's Participation or Non-Participation, as the case may be, pursuant to the exercise or manner of exercise by the Company of such discretion.

5.7 Excluded Shares

Excluded Shares will not participate in the Plan.

5.8 Cessation of Participation of Shares upon sale or transfer

Shares which are sold or otherwise transferred to a new owner will cease to participate in the Plan on registration of the transfer by or on behalf of the Company.

6. OPERATION OF THE PLAN

6.1 Account

The Company will establish and maintain a Plan account in respect of each Participant (**Plan Account**). For each Dividend payable to a Participant, the Company will:

- (a) determine the amount of the Dividend payable to the Participant in respect of the Participant's Participating Shares and credit that amount to the Participant's Plan Account;
- (b) determine (where applicable) the Australian withholding tax in respect of that Dividend, and any other sum that the Company is entitled to or required to retain in respect of the Participating Shares and debit that amount from the Participant's Plan Account;
- (c) determine the maximum number of fully paid ordinary Shares which could be acquired by subscription by the Participant in accordance with the entitlement formula outlined in clause 6.4; and
- (d) on behalf of and in the name of the Participant subscribe for or otherwise acquire, in terms of the deemed direction described in clause 6.2 below, and allot and transfer that number of ordinary fully paid Shares calculated in accordance with clause 6.1(c) above and debit the Participant's Plan Account with the amount calculated as the Dividend Reinvestment Price multiplied by the number of allotted or transferred Shares.

6.2 Deemed Directions by Shareholder

A Shareholder who applies to participate in the Plan will, in making his or her election, be deemed to have directed the Company to apply for or otherwise acquire that number of Shares as is determined by the application of the formula in clause 6.4.

6.3 Issue New Shares or Purchase Existing Shares

The Directors at their sole and absolute discretion will determine, with respect to the operation of the Plan for any Dividend, whether to issue new Shares or to cause the purchase and transfer of existing Shares, or to apply a combination of both options, to satisfy the Company's obligations under these Terms and Conditions.

If the Directors determine to cause the purchase of Shares and their transfer to Participants, the Shares may be acquired as the Directors consider appropriate. The Company, if it so chooses, may create a trust (of which the Participants are the beneficiaries) to acquire the Shares and then transfer or sell such Shares to the Participants.

6.4 Allotment

Subject to clause 6.5, each Dividend payable to a Participant in respect of Participating Shares and available for payment to the Participant will, upon payment, be applied by the Company on the Participant's behalf in subscribing for that number of Shares ascertained from the following formula:

$$S = \frac{Px E}{M}$$

Where:

"S" is the number of Shares to be allotted to the Participant;

"P" is the number of Participating Shares registered in the name of the Participant to which the allotment relates;

"E" is the Dividend per Share declared by the Directors on Dividend Shares less any withholding tax or other sum the Company is entitled to deduct or retain in relation to the Dividend or the Participating Shares; and

"M" is the Dividend Reinvestment Price.

6.5 Fractional Entitlements

Where a fraction of a Share results from the calculation required under clause 6.1, that fraction shall be rounded up to the nearest whole number.

7. SHARES ALLOTTED UNDER THE PLAN

Shares allotted under the Plan will:

- (a) be allotted in accordance with the Listing Rules, the Company's Constitution and any other applicable law;
- (b) rank equally in all respects with existing Shares of the same class; and
- (c) be registered on a share register chosen by the Company.

8. STOCK EXCHANGE LISTING

The Company will apply, promptly after an allotment, for the Shares allotted under the Plan to be listed for quotation on the official lists of the ASX and any other stock exchanges on which the Shares of the Company are listed (as applicable).

9. COSTS TO PARTICIPANTS

No brokerage, commission, stamp duty or other transaction costs will be payable by Participants in respect of any allotment of Shares under the Plan.

10. STATEMENTS TO THE PARTICIPANTS

As soon as practicable after each allotment of Shares pursuant to the Plan, the Company will send each Participant to whom Shares have been allotted a statement setting out:

- (a) the number of the Participant's Participating Shares at the relevant Closing Date;
- (b) the Dividend payable in respect of that Participant's Participating Shares;
- (c) if applicable, the amount of withholding tax or other amount under clause 6.16.1(b) which has been deducted from the Dividend payable to the Participant;
- (d) the number of Shares allotted under the Plan in relation to the allotment to which the statement relates and the date on which the Shares were allotted;
- (e) the price at which each Share pursuant to the Plan was issued;
- (f) the franked amount (if any) of the Dividend and the franking credit (if any) attaching to the Dividend;

- (g) subject to any Share transaction in which the Participant may have engaged after the Closing Date, the total number of Participating Shares (including the Shares issued under the Plan) which the Participant holds after the issue; and
- (h) any other matters required by law to be included in a statement confirming the transaction.

11. VARIATION OR TERMINATION OF PARTICIPANT'S PARTICIPATION

11.1 Notice of Variation or Termination

Subject to clause 14, a Participant may at any time give notice to the Company to:

- (a) increase or decrease the number of his or her Participating Shares; or
- (b) terminate his or her Participation,

by completing and returning a Variation Form to the Company.

11.2 Death, Bankruptcy or Liquidation of Participant

On receipt by the Company of a notice of the death, bankruptcy or liquidation of a Participant, the Participation by the Participant and any other Participants with whom the Participant was a joint holder, will terminate.

11.3 Participant ceasing to be Shareholder

If a Participant ceases to be a Shareholder in respect of any Participating Shares, its Participation will terminate at such time as this matter of ineligibility comes to the attention of the Company.

12. VARIATION, SUSPENSION, RECOMMENCEMENT AND TERMINATION OF THE PLAN

(a) This Plan may be:

- (i) varied;
- (ii) suspended;
- (iii) recommenced; or
- (iv) terminated,

by the Directors (subject to the Listing Rules and the Company's Constitution) at any time.

(b) A variation, suspension, recommencement or termination of the Plan will take effect:

- (i) on such date as the Directors determine; and
- (ii) in the case of a suspension, until such time as the Directors resolve either to recommence or terminate the Plan.

- (c) Any variation, suspension, recommencement or termination of the Plan, will not give rise to any liability on the part of, or right of action against, the Company or its Directors.
- (d) If the Plan is varied, a Participant continues to participate under the modified Plan (with such modifications to the Participant's specified number of Participating Shares, if any, as is required by the modification) unless the Participant notifies the Company to the contrary by completing and submitting a Variation Form.
- (e) If the Plan is suspended, Participants' elections as to participation in the Plan will cease to be effective and all Shares will be deemed to be Non-Participating Shares for the purpose of any Dividend declared while the Plan is suspended. If the Plan remains suspended for two or more consecutive Dividend Payment Dates, then any Election Form previously lodged by each Participant will be deemed void.
- (f) If the Plan is recommenced following a suspension for:
 - (i) less than two consecutive Dividend Payment Dates, the Participant's previously suspended Election Form will be reinstated and be valid and effective, unless determined otherwise by the Company and notified to Participants; or
 - (ii) two or more consecutive Dividend Payment Dates, each Participant who wishes to participate in the recommenced Plan must complete and return a new Election Form, in accordance with clause 5.2.
- (g) The Company will give notice of:
 - (i) at least two months to Shareholders of termination or variation of the Plan;
 - (ii) as soon as reasonably practicable prior to the effective date, for any suspension or recommencement of the Plan,

the accidental omission to give notice of variation, termination, suspension or recommencement to any Participant or the non-receipt of any notice by a Participant will not invalidate the variation, termination, suspension or recommencement of the Plan or any issue, allotment or transfer of Shares under the Plan.

13. REDUCTION OR TERMINATION WHEN NO NOTICE IS GIVEN

- (a) Shares transferred by a Participant will be taken to comprise:
 - (i) firstly, Non-Participating Shares; and
 - (ii) secondly, Participating Shares to the extent the number of Shares transferred exceeds the number of Non-Participating Shares,
 - (iii) unless the Participant notifies the Company otherwise.
- (b) Where a Participant transfers all of his or her Shares without giving prior notice of termination of Participation in the Plan, the Participant is deemed to have given notice to terminate his or her Participation in the

Plan on the last date when the Company registered the relevant transfer or instrument of disposal of the Participant's Shares.

- (c) Where a Participant transfers Participating Shares, those Participating Shares shall, upon registration of the transfer, cease to be Participating Shares.

14. ELECTION AND NOTICES

14.1 Form

- (a) All Elections and notices required by this Plan must be in writing and in such form as the Company may from time to time require.
- (b) Elections must be made and notices must be given by the Participant separately in respect of each holding of the Shares identified by a separate holder in the books of the Company.

14.2 Joint Shareholders

Where Shares are held jointly, all Elections and notices must be signed by all joint Shareholders.

14.3 Effective

An Election and notice will be effective on receipt by the Company subject to:

- (a) these Terms and Conditions;
- (b) acceptance by the Directors in the case of an Election;
- (c) subject to clause 14.3(d), receipt by the Company on or before 5:00 pm (AEST) on the relevant Election Date; and
- (d) such other restrictions which the Directors may from time to time impose.

15. NOTICES AND ANNOUNCEMENTS RELATING TO THE PLAN

Any notice or announcement relating to the Plan may be effected by the following:

- (a) by notice to ASX, for release to the market; or
- (b) by notice to Participants (or if the Company so decides to all Shareholders) in accordance with the provisions regarding the giving of notice to Shareholders in the Company's Constitution.

Any such notice is effective from the date it is given.

16. GENERAL ADMINISTRATION OF THE PLAN

16.1 Dividends not available to participate

Any Dividend payable on Participating Shares which the Company is entitled to retain in accordance with the Company's Constitution, or other requirement of law, is not available for the purpose of participating in the Plan.

16.2 Administration by the Board

- (a) The Plan will be administered by the Directors.
- (b) Any power, discretion or function of the Company under these Terms and Conditions may be exercised or undertaken by the Directors.
- (c) The Directors may implement the Plan in the manner as the Directors think fit and determine procedures for the administration of the Plan consistent with these Terms and Conditions.
- (d) The Directors may settle, in such manner as they think expedient, any difficulties, anomalies or disputes which may arise in connection with, or by reason of, the operation of this Plan, whether generally or in relation to any Participant or any Shares and the determination of the Directors is conclusive and binding on all Participants and other persons to whom the determination arises.
- (e) The Directors may delegate to any one or more persons, for such period and on such conditions as they may determine, the exercise of any of their powers or discretions arising under the Plan.

16.3 The Company and Officers not liable

Neither the Company nor any officer of the Company will be liable or responsible to any Participant for any loss or alleged loss or disadvantage suffered or incurred by a Participant as a result, directly or indirectly, of the establishment or operation of the Plan or participation or non-participation in the Plan or in relation to any advice given with respect to participation in the Plan given by any person.

17. UNDERWRITING

The Directors may, at their sole and absolute discretion, choose to partially or fully underwrite the Plan in respect of any Dividend with one or more underwriters. No person who is a related party or an associate of a related party (in each case, as defined for the purposes of the Listing Rules) is to act as underwriter or sub-underwriter of the Plan without shareholder approval.

18. CONSISTENCY WITH THE TRADING RULES

For so long as the Company remains admitted to the official list of ASX, despite anything else contained in this Plan:

- (a) if the Trading Rules prohibit an act being done by the Company, the act must not be done;
- (b) nothing contained in these Terms and Conditions prevents an act being done by the Company that the Trading Rules require to be done;
- (c) if the Trading Rules require these Terms and Conditions to contain a provision and they do not contain that provision, these Terms and Conditions are taken to contain that provision;
- (d) if the Trading Rules require that these Terms and Conditions do not contain a provision and they do contain that provision, these Terms and Conditions are deemed not to contain that provision; and

- (e) if any of these Terms and Conditions are or become inconsistent with the Trading Rules, these Terms and Conditions are taken not to contain that provision to the extent of the inconsistency.

19. TAXATION

- (a) Neither the Company nor its Directors, officers, employees, representatives or agents take any responsibility or assume any liability for the taxation liabilities of Participants.
- (b) As individual circumstances and laws vary considerably, specific taxation advice from professional advisers should be obtained by each Participant.

20. GENERAL

The Plan does not apply in any case where, in accordance with the Constitution of the Company or otherwise by law:

- (a) the Directors are entitled to retain all or part of a Dividend payable in respect of Shares which a Participant has nominated as participating in the Plan; or
- (b) the Company is entitled to a charge or other security interest over such Shares or over any Dividend payable in respect thereof.

21. EQUITABLE CLAIMS

The Company, unless otherwise required by law, need not recognise any person as an owner of any additional Shares issued under the Plan other than the registered holder of the Shares which are subject to the Plan in respect of which the additional Shares were issued.

22. GOVERNING LAW

The Plan, these Terms and Conditions and the operation of the Plan are governed by the laws of the State of Queensland and each Shareholder submits to the jurisdiction of the Courts of the State of Queensland.