



## Release to the Australian Securities Exchange

### Adairs Limited Activation of Dividend Reinvestment Plan

21 February 2022

#### Activation of Dividend Reinvestment Plan

Adairs Limited (ASX: ADH) has today announced that its Dividend Reinvestment Plan (DRP) will be activated with effect from and including the FY22 interim dividend.

In respect of the FY22 interim dividend the Board has determined that:

- The Pricing Period used to determine the Allocation Price under the DRP shall be the five (5) trading days commencing on and including the second Business Day immediately following the Dividend Record Date;
- a 1.5% discount to the Average Market Price will apply in determining the Allocation Price under the DRP; and
- DRP shares will be sourced via an issue of new ordinary shares by Adairs Limited.

In accordance with ASX Listing Rule 3.10.8, a DRP Information Booklet (which includes a copy of the updated DRP Rules which have been adopted by the Board) accompanies this announcement. Shareholders should read the DRP Rules carefully before deciding whether to participate in the DRP.

The number of shares issued via the DRP will depend on participation levels and the DRP Allocation price, with proceeds raised to be used to support the ongoing growth of the group.

DRP Election Forms will be sent to shareholders in the next seven days with instructions on how to participate in the DRP should they wish to do so.

DRP elections must be received by no later than 5pm (Melbourne time) on Wednesday 23 March 2022 to be effective for the FY22 interim dividend.

Questions in relation to the Dividend Reinvestment Plan should be directed to the Adairs share registry provider, Link Market Services, by phone on 1300 554 474 (within Australia) or +61 1300 554 474 (if outside Australia) or via email on [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)

#### ENDS

This announcement has been approved by the Board of Adairs Limited.



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**About Adairs Limited**

*Adairs Limited is Australia's largest omni channel specialty retailer of home furnishings, home furniture and home decoration products. We own and operate three vertically integrated brands in the Home category – Adairs, Mocka and Focus on Furniture. All brands are design led, customer focused, and sell quality in-house designed product direct to customers in Australia and New Zealand.*

*Adairs head office is in Melbourne, Australia.*

*For further information visit our investor relations website [www.investors.adairs.com.au](http://www.investors.adairs.com.au)*

**About Adairs**

*Adairs is a leading specialty retailer of home furnishings in Australia and New Zealand with a national footprint of stores across a number of formats and a large and growing online channel. Adairs strategy is to present customers with a differentiated proposition, which combines on-trend fashion products, quality staples, strong value and superior customer service.*

*For further information visit [www.adairs.com.au](http://www.adairs.com.au)*

**About Mocka**

*Mocka is a vertically integrated pure-play online home and living products designer and retailer operating in Australia and New Zealand. Mocka sells its own exclusive, well designed, functional and stylish products in the Home Furniture & Décor, Kids and Baby categories. Delivering great product and compelling everyday value-for-money is core to the Mocka customer proposition.*

*For further information visit [www.mocka.com.au](http://www.mocka.com.au)*

**About Focus on Furniture**

*Focus on Furniture ('Focus') is a vertically integrated omni-channel furniture and bedding retailer offering well designed, functional and on-trend products at great value for money through its network of stores in Australia and its online channel. Focus is characterised by its attention to customer service, support, product quality and range.*

*For further information visit [www.focusonfurniture.com.au](http://www.focusonfurniture.com.au)*



adairs

**DIVIDEND REINVESTMENT  
PLAN BOOKLET**  
INCLUDING A COPY OF THE PLAN RULES

# CONTENTS

- 3 Features of the Dividend Reinvestment Plan
- 4 Frequently Asked Questions (FAQ)
- 6 Dividend Reinvestment Plan Rules



# FEATURES OF THE DIVIDEND REINVESTMENT PLAN

The Adairs Limited Dividend Reinvestment Plan (“the Plan” or “DRP”) provides eligible holders of ordinary shares (“Shares”) in Adairs Limited (“Adairs” or “the Company”) with a convenient way of reinvesting all or part of their dividends in additional Shares in the Company rather than receiving those dividends in cash.

The Adairs Board will determine whether the DRP will apply with respect to each dividend at the time it considers the declaration of that dividend. Adairs will announce whether the DRP will apply with respect to a dividend on or before the time that a dividend is announced.

This booklet contains information in relation to the DRP. Please read this booklet carefully. A copy of the Plan Rules of the DRP is included in this booklet, which you should read carefully before deciding whether to participate in the DRP.

Any information provided by Adairs in this booklet is of a general nature only and does not take into account your personal circumstances. You should consult your own financial or legal adviser if you are unsure about what is the best option for you. You should also seek your own taxation advice before deciding what is best for you.

Features of the Plan include:

## **INCREASE YOUR SHAREHOLDING**

The Plan is an easy and convenient way to increase your Adairs shareholding.

## **NO TRANSACTIONAL COSTS**

You do not have to appoint a broker and you will not have to pay fees, brokerage or other transaction costs for shares acquired by you under the Plan.

## **PARTICIPATION IS OPTIONAL**

Participation is entirely voluntary, and you can join, withdraw or vary your participation in the Plan at any time.

## **PARTICIPATION IS FLEXIBLE**

You can choose to reinvest all, part or none of your dividend in the Plan.

## **SHARES RANK EQUALLY**

Shares acquired by you under the Plan will rank equally with existing fully paid ordinary shares in the Company.

## **DIVIDEND STATEMENTS**

Plan statements outlining the dividend calculation and the details of your participation in the Plan will be dispatched on or around the relevant dividend payment date.

## **IMPORTANT NOTE**

Adairs Limited and its related bodies corporate (Adairs) do not provide you with any investment, financial product or other professional advice. Adairs encourage you to seek your own independent advice before making any financial decisions. Adairs is not licensed in Australia to provide financial product advice in relation to shares in Adairs (or any other type of financial product).

The DRP is available only to Adairs shareholders who are residents of Australia or New Zealand - see Rule 3 of the Plan Rules

If you have any questions in relation to the Dividend Reinvestment Plan after reading this booklet, please contact the Adairs share registry provider, Link Market Services on:

**Phone:**

1300 554 474 (within Australia)

+61 1300 554 474 (outside Australia)

**Email:**

registrars@linkmarketservices.com.au

**[www.investors.adairs.com.au](http://www.investors.adairs.com.au)**

This booklet is dated February 2022

# FREQUENTLY ASKED QUESTIONS (FAQ)

Shareholders should read the detailed terms of the Plan Rules on page 6 and not rely on these questions and answers. If there is any inconsistency between the Plan Rules and these questions and answers, the Plan Rules prevail.

If in doubt, consult your financial or other professional adviser before deciding whether to participate. Capitalised terms not otherwise defined have the meaning given in the Plan Rules.

## HOW DO I PARTICIPATE IN THE PLAN?

Participation in the Plan is entirely voluntary. All that you need to do is to complete the DRP Election Form and return it to the Share Registry at the address shown on the DRP Election Form or complete and submit the DRP Election Form electronically by going to the Investor Services page of the Adairs Investor Relations website at: <https://investors.adairs.com.au/> and following the instructions provided.

Alternately you can contact our Share Registry on 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia) to request a DRP Election Form.

DRP Election Forms must be received, or online elections made, by 5:00pm (Melbourne time) on the Last Election Date for a dividend if you wish to participate for that dividend.

## WHO IS ELIGIBLE TO PARTICIPATE IN THE PLAN?

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

## WHEN WILL MY PARTICIPATION IN THE PLAN BEGIN?

Participation begins with the first Dividend payment after receipt of your DRP Election Form (if it is received by 5.00pm (Melbourne time) on the Last Election Date for that Dividend).

The Last Election Date for forthcoming dividends will be notified to ASX and posted on Adairs' website when the relevant dividend is announced.

For elections received after the Last Election Date for a particular dividend, you will not participate in the DRP for that dividend and your participation will begin from the next dividend.

## HOW IS THE ALLOCATION PRICE FOR THE SHARES CALCULATED?

This is worked out according to a formula in accordance with the Plan Rules. The number of Shares allocated is calculated by reference to the "Allocation Price" which is the arithmetic average of the daily volume weighted average sale price of Shares sold on applicable trading platform/s (currently ASX and Chi-X) during the relevant pricing period, less any discount as determined by the Board from time to time and announced to the market.

The pricing period for the Allocation Price will be announced to ASX and posted on Adairs' website on or before the time Adairs announces a dividend. The final Allocation Price for a dividend will be notified in the same way after the Allocation Price is determined.

## DO ALL MY SHARES HAVE TO PARTICIPATE IN THE PLAN?

Eligible shareholders wishing to participate may elect to participate in the Plan for all or part of their holding, subject to any minimum and/or maximum number of Shares to participate in the Plan as the Directors may specify.

- › Full participation: If you elect full participation, dividends on all of your Shares will be reinvested in acquiring DRP Shares. Dividends on any Shares you may acquire in the future will also be reinvested in this way.
- › 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 Election 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?

No, however Adairs has the discretion under the Plan Rules to introduce a minimum or maximum participation level.

## WHAT IF I HAVE MORE THAN ONE SHAREHOLDING IN THE COMPANY?

You will need to lodge a separate DRP Election Form for each shareholding registered under different names or each shareholding bearing different shareholder reference numbers or holder identification numbers.

## 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 Adairs 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.

## HOW WILL MY DRP SHARES BE TREATED FOR SUBSEQUENT DIVIDEND PAYMENTS?

- › **Full participation:** If you elect full participation, 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 or other Shares.

- › **Partial participation:** If you elect partial participation, 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 Election Form/ election, then the dividends on the Shares that you actually hold will be treated as participating in the DRP.

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

### **CAN THE PLAN BE CHANGED, SUSPENDED OR TERMINATED?**

The Directors may vary the Rules or suspend or terminate the Plan at any time. If this occurs, the Directors will make a public announcement and information will be available on the Adairs Investor Relations website at: <https://investors.adairs.com.au/>

### **CAN I WITHDRAW OR CHANGE MY PARTICIPATION AT ANY TIME?**

Yes. Simply update your election via the Share Registry's investor centre. Alternatively, forms to vary or terminate your participation can be obtained by contacting Adairs' Share Registry.

The change will be effective from the next dividend payment, provided that the election is received by 5.00pm (Melbourne time) on the Last Election Date for that dividend. If your change is received after that date, the change will not be effective until the next dividend.

Adairs will announce the relevant Last Election Date for each dividend to the ASX and on the Adairs website at the time it announces the dividend.

### **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 Adairs showing full details of Shares allocated to you under the DRP. This statement should be kept for your taxation purposes.

### **WHAT HAPPENS IF I AM PARTICIPATING IN THE DRP AND SELL SOME OR ALL OF MY SHARES?**

Where you have elected 'Full Participation' and then dispose of some of your Adairs shares, dividends on all of your remaining participating Adairs shares will continue to be reinvested under the DRP for each dividend in respect to which the DRP applies.

Where you have elected 'Partial Participation' and you dispose of some of your Adairs shares, then unless you have given sufficient notice beforehand, the shares disposed of will be treated to the extent possible as coming from your shares that do not participate in the DRP and the balance, if any, will be treated as coming from your shares that do participate.

In each case, if you later acquire more Adairs shares, these will participate in the DRP to the extent indicated in your last DRP Election Form.

If you have ceased to hold any Adairs shares at the time of a dividend record date, you are deemed to have terminated your participation in the DRP at that record date.

### **WHAT ARE THE TAX IMPLICATIONS OF PARTICIPATING?**

Dividends reinvested into Shares are usually treated as dividends received in the hands of the shareholder for Australian tax purposes.

The Company cannot, however, advise on the taxation implications of participating in the Plan. If you have any questions regarding taxation implications, please consult your professional adviser.

### **HOW DO I FIND OUT ABOUT ADAIRS' HISTORIC DIVIDEND AMOUNTS?**

Adairs' historic dividend amounts are available on the Adairs Investor Relations website at: <https://investors.adairs.com.au/>

### **ENQUIRIES**

If you have further general enquiries about how the Plan operates and how you can participate, please contact the Share Registry at:

Phone: 1300 554 474 (within Australia)  
+61 1300 554 474 (outside Australia)  
Email: [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)

# ADAIRS LIMITED DIVIDEND REINVESTMENT PLAN RULES

## 1. DEFINITIONS AND INTERPRETATION

### Definitions

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

**Allocated Shares** mean the Shares allocated to the Participant under the DRP.

**Allocated** or **Allocation** means:

- › the issue of new Shares to; or
- › the transfer of existing Shares to; or
- › any combination of the issue of new Shares to or the transfer of Shares to,

a Participant under the DRP, as the case may be.

**Allocation Price** mean in respect of an Allocation, the price at which those Shares are Allocated, calculated in accordance with rule 10.

**ASX** means ASX Limited (ACN 008 624 691) or the stock market operated by ASX Limited (as the case may be).

**Average Market Price** means the arithmetic average of the daily volume weighted average price for Shares traded on ASX and/or any other trading platforms (for example, Chi-X)) as the Board may determine from time to time, during the relevant period:

- › adjusted by the Company to ensure that, as far as reasonably possible, the calculation of entitlements is unaffected by the method of Allocation, given that the Allocation of Shares may occur by issue, transfer, or a combination of issue and transfer; and
- › excluding any trades that the Company determines to exclude on the basis that the trades are not fairly reflective of natural supply and demand or are not in the ordinary course of trading on the relevant market.

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

**Business Day** means a day which is a business day within the meaning of the Listing Rules.

**Chi-X** means Chi-X Australia Pty Ltd (ABN 47 129 584 667) or the market operated by it (as the context requires).

**Company** means Adairs Limited ACN 147 375 451.

**Constitution** means the constitution of the Company as varied from time to time.

**Discount** means 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.

**Dividend** means any dividend per Share announced and payable by the Company.

**Dividend Payment** means 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.

**Dividend Payment Date** means the date on which the Dividend is payable, as announced by the Company.

**Dividend Record Date** means 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.

**DRP** means the Company's dividend reinvestment plan to which these Rules apply, as varied from time to time.

**DRP account** means the account established and maintained by the Company for each Participant under the DRP.

**Election Date** has the meaning given in rule 19(c).

**Election Form** means 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.

**Eligible Shareholder** has the meaning given in rule 3.

**Full Participation** has the meaning given in rule 7(b).

**Last Election Date** means the first Business Day after the Dividend Record Date for a Dividend, or such other date determined by the Company to be the last date to elect to participate in the DRP for a particular Dividend.

**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, except to the extent of any waiver by ASX.

**Maximum Participating Holding** means the number of Shares (if any) determined by the Company from time to time under rule 8(c).

**Minimum Participating Holding** means the number of Shares (if any) determined by the Company from time to time under rule 8(a).

**Partial Participation** has the meaning given in rule 7(c).

**Participating Shares** means 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.

**Participant** means a Shareholder some or all of whose Shares are Participating Shares.

**Pricing Period** means in respect of a Dividend, the period determined by the Company, being a period of not less than 5 Trading Days.

**Related Body Corporate** means in relation to a body corporate, another body corporate that is related to the first-mentioned body by virtue of section 50 of the Corporations Act 2001 (Cth).

**Requirements** means the Corporations Act 2001 (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.

**Rules** means these rules of the DRP as varied from time to time.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of Shares at a relevant Dividend Record Date.

**Share Registry** means the share registry which maintains the Company's share register.

**Trading Day** means (unless otherwise determined by the Board) a day which is defined to be a "Trading Day" in the Listing Rules, other than a day on which the Shares have been placed in a "trading halt" (as defined in the Listing Rules) or on voluntary suspension (the suspension of a listed entity's securities from quotation requested by the entity as described in Listing Rule 17.2) for more than 2 hours.

### 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;
  - i. 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;
- d. a reference to a body, whether statutory or not:
  - i. which ceases to exist; or
  - ii. 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;
- e. a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;
- f. a reference to dollars or \$ is to Australian currency;
- g. 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
- h. all references to time are to Melbourne time.

## 2. COMMENCEMENT OF THE DRP

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

## 3. ELIGIBILITY TO PARTICIPATE

- 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:
  - i. is optional and voluntary;
  - ii. is not transferable; and
  - iii. 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:
  - i. is in Australia or New Zealand; or
  - ii. 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:
    - iii. 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 (i) and (ii) above; and
    - iv. a Shareholder, or a class of Shareholders, are Eligible Shareholders notwithstanding that they are resident outside the jurisdictions mentioned in paragraphs (i) and (ii) 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:
  - i. breach any law of Australia including the *Foreign Acquisitions and Takeovers Act 1975* (Cth), the Listing Rules or the Constitution; or
  - ii. prejudice the effective operation of the DRP; or
  - iii. 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.

# ADAIRS LIMITED DIVIDEND REINVESTMENT PLAN

## 4. MULTIPLE HOLDINGS

- a. Where an Eligible Shareholder has more than one holding of Shares:
  - i. each holding will be treated as separate for the purposes of the DRP, such that a separate Election Form must be lodged with respect to each separate holding that is to participate; and
  - ii. these Rules will apply as if each such holding were held by a separate Participant, unless the Board determines otherwise.
- b. Without limiting (a) above, the Board is entitled (but not obliged) to refuse an Eligible Shareholder participation in the DRP where that Shareholder has, in the opinion of the Board, split a shareholding or acquired Shares as part of such a split, in order to increase the number of Shares that may be acquired by that Shareholder or another person under this DRP.
- c. Unless the Board determines otherwise, if Shares are jointly held by two or more Eligible Shareholders, all joint holders of such Shares must sign a single Election Form for it to be valid. If one or more of the joint holders of the Shares is not an Eligible Shareholder, none of the joint holders can apply to participate in the DRP with respect to the Shares jointly held.

## 5. BROKER, TRUSTEE OR NOMINEE ACCOUNTS

If:

- a. a shareholding account appearing in the Company's share register relates to a:
  - i. broker's clearing account;
  - ii. trustee; or
  - iii. nominee; and
- b. the broker, trustee or nominee notifies the Company:
  - i. that the relevant Shares are held for a number of different persons; and
  - ii. 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

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

## 7. EXTENT OF PARTICIPATION

- a. Participation may be either full or partial. An Election Form must specify whether the Shareholder has elected Full Participation or Partial Participation, and if Partial Participation is elected, the Election Form 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:
  - i. the Requirements;
  - ii. any later Election Form submitted by that Participant; and
  - iii. the Maximum Participating Holding (if any).
- c. **Partial Participation** means that only the number of Shares specified as participating in the Election Form 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 an Election Form 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 Election Form in accordance with rule 14.
- d. If an Election Form 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

- 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 an Election Form 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:
  - i. the number of Participating Shares for that Participant for the purposes of these Rules is deemed to be zero; and
  - ii. any Shares specified in the Election Form 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 an Election Form 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:
  - i. the number of Participating Shares for that Participant for the purposes of these Rules is deemed to be the Maximum Participating Holding; and
  - ii. any Shares specified in the Election Form 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

- 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:

- i. determine the Dividend Payment in respect of that Participant's Participating Shares;
  - ii. credit the amount in rule 9(c)(i) to the Participant's DRP account, and that payment constitutes payment of the Dividend on the Participant's Participating Shares;
  - iii. 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;
  - iv. on behalf of and in the name of the Participant, subscribe for or purchase the number of Shares determined under rule 9(c)(iii) and debit the Participant's DRP account with the total of the price for the Allocated Shares; and
  - v. 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, pursuant to these Rules:
    - i. the DRP is suspended or terminated by the Company; or
    - ii. the Participant ceases to participate in the DRP, any positive residual balance in the Participant's DRP account will be paid to the Participant.

## 10. PRICE OF SHARES

- 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, rounded to the nearest whole cent but if the fraction is one half of a cent the amount is to be rounded down to the nearest whole cent. The determination by the Company of the Allocation Price is binding on all Participants.
- b. The Allocation 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

- a. The Company may, in its discretion, either:
  - i. issue new Shares; or
  - ii. cause existing Shares to be acquired for transfer to Participants; or
  - iii. undertake any combination of the options above, to satisfy the Company's obligations under these Rules.

# ADAIRES LIMITED DIVIDEND REINVESTMENT PLAN

- 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:
  - i. the next Dividend paid; and
  - ii. 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.
- 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, an Election Form);
- d. acknowledges that the Company may at any time irrevocably determine that the applicant's Election Form is valid, in accordance with these Rules, even if the Election Form is incomplete, contains errors or is otherwise defective;
- e. acknowledges that the Company may reject any Election Form;
- 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 applicant agrees to the Company or its nominee taking all steps necessary to register the Shares in the applicant'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 applicant 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 applicant for any loss or disadvantage suffered or incurred by the applicant 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.

## 12. DRP STATEMENTS

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

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;

## 14. VARIATION OR TERMINATION OF PARTICIPATION

- a. A Participant may at any time give notice to the Company (via the Share Registry using the Election Form) of the Participant's decision to:
  - i. increase or decrease the number of Shares participating in the DRP; or

- ii. 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**

- 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 and has no cum entitlement to the Dividend at Dividend Record Date, 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**

- 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 an Election Form 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 Election Form is lodged, unless the Company determines otherwise.

## **17. COSTS TO PARTICIPANTS**

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**

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**

- 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.

# ADAIRES LIMITED DIVIDEND REINVESTMENT PLAN

- 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 after the Last Election Date for a Dividend 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:
  - i. accept or reject an application or notice which is not properly completed or signed; and
  - ii. 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, an Election Form.
  - iii. 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 Victoria 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

## 20. GENERAL

- a. The Company will record, with respect to each Participant:
  - i. the name and address of the Participant (being the name and address in the Company's share register from time to time); and
  - ii. 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. The Board may delegate any power, discretion or function under these Rules 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:
  - i. implement the DRP in the manner the Company thinks fit; and
  - ii. 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:
  - i. the establishment or operation of the DRP;
  - ii. participation or non-participation in the DRP; or