



**DIVIDEND REINVESTMENT PLAN**  
**SUMMARY OF MAIN PRINCIPLES IN RULES**

# MAGONTEC LIMITED ACN 010 441 666

## Dividend Reinvestment Plan – Summary of Main Rules

### 1. Eligibility to Participate

- a) Participation in the DRP is entirely optional - clause 3.1.
- b) Consistent with Board discretions under the DRP Rules (subject to clause 2.2) -
  - i. any Magontec shareholder with an address on the Register in Australia or New Zealand and holding more than 1,000 Magontec Shares as at the Record Date is eligible to participate in the DRP;
  - ii. shareholders who do not have such an address may participate at the discretion of Directors.

### 2. Directors' Discretion re Participation - Clause 2.3

If, in the best interests of Magontec, or a shareholder's participation would be undesirable, impracticable, impossible or illegal, Directors may in their sole discretion:

- a) refuse to accept a shareholder's application to participate; or
- b) suspend or withdraw shares from participation without notice.

### 3. Full or Partial Participation - Clause 4.2

Shareholders may elect:

- a) full participation – a shareholder's entire holding of shares participates in the DRP; or
- b) partial participation - a nominated number of shares participates in the DRP.

### 4. Rights Attaching to Magontec Shares Allotted or Transferred Under the DRP - Clause 7.1 c)

Magontec shares allotted or transferred under the DRP rank equally in all respects with existing shares.

### 5. Satisfaction of Shares to be Allotted under DRP – Clause 7.1 a)

May be achieved by either:

- a) acquiring shares in the market; or
- b) the issue of new shares

### 6. Market Price of Shares Issued Under DRP – per definition of "Market Price" in DRP

**Market Price** means –

- the VWAP<sup>1</sup>;
- determined over the Pricing Period<sup>1</sup> with such period commencing at the Pricing Period Commencement<sup>1</sup>
- adjusted for any Discount<sup>1</sup>.

**Note 1: As defined per the "Element" column in the table immediately below.**

| Element                     | Method of Determination   |
|-----------------------------|---|
| VWAP                        | The daily volume weighted average market price of all Normal Trades of Magontec Shares on the Australian Securities Exchange (ASX) (and other trading venues as the Directors may determine from time to time).   |
| Pricing Period Commencement | The second Trading Day following the relevant Record Date.  |
| Pricing Period              | The period, commencing on the Pricing Period Commencement, of ten Trading Days (or such other period as the Directors may determine from time to time) on which Normal Trade on the relevant trading venues did occur but, in any event, not exceed fifteen Trading Days. |
| Discount                    | VWAP so calculated may be reduced by a Discount in accordance with clause 6.  |

### 7. Discount – Clause 6.1

No discount to be applied for the purpose of calculating the "Market Price" unless the Directors determine otherwise from time to time.

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#### **8. Number of Magontec Shares to be Allotted or Transferred – Clause 5.3**

The number of shares to be allotted or transferred under the DRP will be the value of the dividend entitlement divided by the “Market Price” in 6, rounded down to the nearest whole number.

#### **9. Residual Balance after Magontec Shares are Allocated or Transferred – Clause 5.6**

Any balance remaining after the rounding down will be retained by the shareholder and applied to the subscription of shares under the DRP at the next dividend.

#### **10. Costs of Participation – Clause 13.1**

No brokerage or other transaction/administration costs are payable by shareholders.

#### **11. Variation of Level of Participation or Withdrawal – Clause 3.4**

Shareholders may vary the level of participation in the DRP or withdraw from participation at any time.

#### **12. Underwriting – Clause 7.2**

Directors may choose to partially or fully underwrite the DRP in respect of any dividend with one or more underwriters.

#### **13. Amendment or Suspension of the DRP – Clause 12**

The DRP may be modified, suspended or terminated by the Directors at any time.