



RULES - DIVIDEND REINVESTMENT PLAN

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1. DEFINITIONS AND INTERPRETATION

1.1. Definitions

In these Terms, unless the context otherwise requires:

Allocation means the issue of Magontec Shares to a Participant under the DRP or the transfer of Magontec Shares acquired for the purposes of the DRP to a Participant, as the case may be. (“Allocate” and “Allocated” have a corresponding meaning.)

ASX means ASX Limited (ACN 008 624 691) or Australian Securities Exchange, as the context requires.

ASX Listing Rules means the listing rules of ASX, as in force from time to time and as amended by any applicable waivers.

ASX Operating Rules means the operating rules of ASX, as in force from time to time.

ASX Settlement Operating Rules means the operating rules of ASX Settlement Pty Limited (ACN 008 504 532), as in force from time to time.

Board means the board of Directors of Magontec from time to time.

Business Day has the meaning given in the ASX Listing Rules.

Constitution means the constitution of Magontec, as amended from time to time.

Directors means the directors of Magontec acting as a board or any duly appointed committee of the Board.

Discount means the percentage discount (if any) determined by the Board from time to time to be applied in calculating the Market Price per Allocated Magontec Share in accordance with [clause 6](#).

Dividend means any cash dividend per Share announced and payable by Magontec.

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

DRP means Magontec’s dividend reinvestment plan to which these Terms apply, as amended from time to time.

DRP Application means the application available from the Magontec website or the Share Registry website to –

- participate in the DRP;
- prescribed by Magontec from time to time per the relevant form on the Magontec website or the Share Registry website;
- submitted electronically, in paper form or via an authorised third party consistent with the instructions set out in the Magontec website; and
- effective in accordance with the process at [clause 3.3](#).

DRP Cancellation and Variation means the application available from the Magontec website or the Share Registry website to –

- cancel or vary participation in the DRP;
- prescribed by Magontec from time to time per the relevant form on the Magontec website or the Share Registry website;
- submitted electronically, in paper form or via an authorised third party consistent with the instructions set out in the Magontec website; and
- effective in accordance with the process at [clause 3.4](#).

DRP Election Date means the day that is one Business Day after the Record Date for a Dividend.

DRP Statement means a statement issued to a Participant in accordance with all applicable laws.

Eligible Shareholder means a Magontec Shareholder eligible to participate in the DRP in accordance with [clause 2](#).

HIN has the meaning given in the ASX Operating Rules as amended from time to time and as at the date this document is approved, stands for “holder identification number”.

Magontec means Magontec Limited ACN 010 441 666.

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Magontec Shareholder means a person registered on the Register as a holder of Magontec Shares.

Magontec Shares means fully paid ordinary shares in the capital of Magontec.

Market Price means –

- the VWAP^{Note1};
- determined over the Pricing Period^{Note1} with such period commencing at the Pricing Period Commencement^{Note1}
- adjusted for any Discount^{Note1}.

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.

If, in the absolute discretion of the Directors, the Market Price as calculated is considered to be distorted by other than Normal Trade activity, the Market Price may be adjusted by the Directors. The Market Price so adjusted may be determined by reference to such information as the Directors approve for the purpose from time to time, and, in the absence of manifest error, is binding on Participants.

Normal Trade means all trades excluding trades such as special crossings¹, crossings prior to the commencement of normal trading or during the closing phase or after hours adjustment phase, overnight crossings, overseas trades, trades pursuant to the exercise of options over Magontec Shares, or any other trade determined by the Directors in their discretion not to be reflective of normal trading in Magontec Shares.

Participant means a Magontec Shareholder participating in the DRP in respect of all or some of a holding under a Shareholder Number.

Participating Shares means the Magontec Shares that a Magontec Shareholder has validly specified for participation in the DRP or that are otherwise taken under these Terms to participate in the DRP.

Record Date has the meaning given in the ASX Listing Rules.

Register means the register of members maintained by Magontec (or by Magontec’s duly appointed Share Registry) including both the principal register and any branch registers or sub-registers.

Shareholder Number means either a SRN or a HIN issued to a Magontec Shareholder under the ASX Settlement Operating Rules.

Share Registry means Magontec’s share registry manager from time to time.

SRN has the meaning given in the ASX Operating Rules as amended from time to time and as at the date of this document is approved, stands for “securityholder reference number”.

Terms means these terms and conditions of the DRP as amended from time to time.

Trading Day has the same meaning as that term is defined in the ASX Listing Rules from time to time.

Withholdings means withholding tax and any other amounts (including without limitation, amounts withheld as a result of a failure to provide a tax file number) that Magontec is required or permitted to withhold from a Dividend payable on Participating Shares.

¹ a block trade or a large portfolio trade executed other than by matching of orders on an order book of ASX or Chi-X

1.2. Interpretation

In these Terms, unless the context otherwise requires:

- a) the singular includes the plural and vice versa;
- b) headings are for convenience only and do not affect interpretation;
- c) an expression importing a natural person includes a firm, a body corporate, an unincorporated association and an authority;
- d) a reference to any statute, regulation, proclamation, ordinance or by-law includes all statutes, regulations, proclamations, ordinances of by-laws amending, consolidating or replacing them, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute; and
- e) a reference to a document includes an amendment or supplement to, or replacement or novation of, that document.

2. ELIGIBILITY

2.1. Resident Shareholders

Subject to [clause 2.2](#), 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.

2.2. Non-Resident Shareholders

- a) Magontec Shareholders who do not have an address on the Register in Australia and New Zealand as at the Record date may only participate in the DRP if the Directors, in their absolute and unfettered discretion, approve of the participation.
- b) A Magontec Shareholder holding Magontec Shares on behalf of another person who resides outside Australia or New Zealand as at the Record Date is not eligible to participate in the DRP.

2.3. Directors' Discretion

If the Directors consider that either:

- a) it is in the best interests of Magontec; or
- b) a Magontec Shareholder's participation in the DRP would be undesirable, impracticable, impossible or breach any laws, including the *Foreign Acquisitions and Takeovers Act 1975 (Cth)* or contravene the ASX Listing Rules or Constitution,

the Directors may, in their sole discretion:

- c) refuse to accept Magontec Shares for participation in the DRP; or
- d) suspend or withdraw Magontec Shares from participation without notice.

2.4. Joint Holders

All joint holders must submit a DRP Application or DRP Cancellation and Variation in the manner approved by Magontec to be valid. If one or more of the joint holders of the Magontec Shares is not an Eligible Shareholder, none of the joint holders can apply to participate in the DRP with respect to the Magontec Shares jointly held.

2.5. Government and Regulatory Approval

A Magontec Shareholder is solely responsible for obtaining any government or regulatory approval and consents necessary for that Magontec Shareholder to be eligible to participate in the DRP.

3. PARTICIPATION IN THE DRP

3.1. Optional Participation

Participation in the DRP by an Eligible Shareholder is optional, non-transferable, and is subject to the Terms, all applicable laws, the ASX Listing Rules and the Constitution.

3.2. Required DRP Application/Cancellation and Variation Forms

An Eligible Shareholder or Participant (as applicable) must complete and submit:

- a) a DRP Application to participate in the DRP; or
- b) a DRP Cancellation and Variation to vary the number of Participating Shares or cancel participation in the DRP.

3.3. Application for Participation in DRP

- a) Subject to these Terms, participation in the DRP commences in relation to the first Dividend to be paid after the:
 - i. Share Registry receives and accepts a duly completed and executed DRP Application; and
 - ii. DRP Application is received by the Share Registry by 5.00pm (AEST/AEDT as applicable) (or such other time set by the Directors) on the DRP Election Date to participate in the Dividend relating to that Record Date. (If the DRP Application is not received by 5.00pm (AEST/ AEDT as applicable) (or such other time set by the Directors), the DRP Application will be effective for the next Dividend,

and will continue, including as at the degree of participation specified in the DRP Application, until, subject to clause 3.7:

- iii. terminated in accordance with clause 3.4;
- iv. varied, in accordance with clause 3.4;
- v. cancelled in accordance with clause 3.6.

3.4. Application for Termination or Variation of Participation in DRP

Subject to clause 3.5, a Participant may terminate or vary their participation in the DRP by submitting a duly completed and executed DRP Cancellation and Variation to the Share Registry.

3.5. Commencement of Termination or Variation

A DRP Cancellation and Variation is effective for a Dividend if:

- a) a duly completed and executed DRP Cancellation and Variation has been submitted per the instructions in the Magontec website; and
- b) the DRP Cancellation and Variation is received before 5.00pm (AEST/AEDT as applicable) on the DRP Election Date.

3.6. Cancellation of Participation Upon Death

If a Participant dies, their participation in the DRP terminates when the Directors receive written notice of the death. If a Participant is declared bankrupt or is wound-up, their participation in the DRP terminates when the Directors receive 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.

3.7. Directors' Discretion Re DRP Application, Cancellation and Variation

The Directors may in their absolute discretion accept or refuse, in whole or in part, any DRP Application or DRP Cancellation and Variation, without having to give any reason for their decision.

3.8. Notification to Shareholder of Exercise of Directors' Discretion

If the Directors refuse to accept, in whole or in part, a DRP Application or DRP Cancellation and Variation, Magontec must notify the Eligible Shareholder as soon as is practicable that the DRP Application or DRP Cancellation and Variation has been rejected. The Directors do not need to provide any reasons for the rejection of a DRP Application or DRP Cancellation and Variation.

4. DEGREE OF PARTICIPATION

4.1. Degree of Participation in DRP

A Magontec Shareholder must specify in a DRP Application under **clause 3.3**, the degree to which the Magontec Shareholder wishes to participate in the DRP.

4.2. Full or Partial Participation

The DRP Application must specify either:

- a) full participation – all the Participant's shareholding from time to time however acquired (including Shares Allocated under the DRP) are Participating Shares; or
- b) partial participation – a specific number of Magontec Shares nominated by the Participant.

In relation to partial participation, in the event the Participant's holding has been reduced by subsequent sales to beneath the nominated participation level, the Participating Shares will be the lesser of the number of Magontec Shares the Participant has nominated to participate in the DRP and the number of Magontec Shares the Participant holds.

4.3. Application Specifies Partial Participation

If at the DRP Election Date, the Participant specifies some, but not all, of the shareholder's Magontec Shares, only the number of Magontec Shares specified in the DRP Application are Participating Shares.

4.4. Application Shows No Level of Participation

If at the DRP Election Date, the Participant does not specify the number of Magontec Shares to be Participating Shares, the DRP Application is deemed to specify all of the Participant's Magontec Shares from time to time to be Participating Shares.

4.5. Application for Level of Participation Inconsistent with Shares Held

If at the DRP Election Date, the Participant specifies a number of Magontec Shares that the Participant nominates to be Participating Shares that is greater than the number of Magontec Shares held under the Participant's Shareholder Number, the DRP Application is deemed to specify all of the held Magontec Shares under that Shareholder Number from time to time to be Participating Shares.

4.6. Dividend Reinvestment in Accordance with Terms

Dividends paid on Participating Shares are reinvested in new Magontec Shares in accordance with these Terms.

4.7. Sale of Shares

Participating Shares that are sold or otherwise transferred to a new Shareholder Number will cease to be Participating Shares on registration of the transfer by or on behalf of Magontec.

5. OPERATION OF DRP

5.1. Commencement of DRP

The DRP and these Terms commence operation on such date as the Directors in their sole discretion determine, and will remain in operation unless varied, terminated or suspended by the Directors in accordance with clause 12.

5.2. Reinvestment Amount

- a) Each Dividend (net of Withholdings, if any) payable to a Participant in respect of Participating Shares is applied by Magontec for the Allocation of Shares, at the Market Price, on the Participant's behalf.
- b) A dividend payable to a Participant 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 the Constitution or any legal requirements (including Withholdings).

5.3. Number of Shares to be Allotted

The number of Magontec Shares Allocated to each Participant will be the whole number equal to, or when not a whole number, the nearest whole number rounded down, calculated in accordance with the following:

- a) the total amount of the Dividend payable on the Participant's Participating Shares as at the Record Date for the relevant Dividend less any applicable Withholdings; divided by
- b) the Market Price as applicable for the relevant Dividend.

5.4. Non-Application of DRP in Event of Breach of Law or Rules

The DRP will not operate in relation to a Dividend to the extent that the issue or transfer of Magontec Shares under the DRP would breach any applicable law, the ASX Listing Rules or the Constitution.

5.5. If DRP Cannot Apply

If, and to the extent that, the DRP does not operate, the relevant Dividend on Participating Shares must instead be distributed (net of Withholdings, if any) to Participants in the same way as to Magontec Shareholders not participating in the DRP.

5.6. DRP Account

Magontec will establish and maintain a DRP account for each Participant. Magontec will in respect of each Dividend to a Participant:

- a) **Add** to the DRP account, the total amount of the Dividend payable on the Participant's Participating Shares as at the Record Date for the relevant Dividend less any applicable Withholdings per clause 5.3a); and
- b) **Subtract** from the DRP account, the number of shares calculated per clause 5.3 multiplied by the Market Price as applicable for the relevant Dividend

Magontec will retain for the Participant's benefit (other than in the circumstances covered by clauses 5.7 and 5.8) any balance of the DRP account, and such balance is applied for Allocation of Shares under clause 5.3 with the next Dividend.

5.7. Balance of DRP Account - Participant's DRP Termination

Subject to clause 5.8, if a Participant terminates the Participant's participation in the DRP but retains Magontec Shares, Magontec may, in its sole discretion, retain that amount or use those funds to make a donation to a charitable organisation chosen by Magontec.

5.8. Balance of DRP Account – Not Linked to a Shareholding

If the Participant does not hold Magontec Shares under the Shareholder Number to which the balance of the DRP accounts relates at the time of the Record Date for the next Dividend, Magontec may, in its sole discretion, retain that amount or use those funds to make a donation to a charitable organisation chosen by Magontec.

5.9. Part Sale of Full Participating Shares

If all of a Participant's Shares are Participating Shares and the Participant disposes of some, but not all, of those Participating Shares, subject to clause 5.11, the remaining Participating Shares held by the Participant continue to be Participating Shares.

5.10. Part Sale of Partially Participating Shares

If –

- only some of a Participant's Shares are Participating Shares and
- the Participant disposes of part of their total holding,

then the Participating Shares will be either –

- a) the number of Magontec Shares the Participant holds - if the Participant has nominated to participate in the DRP a number greater than the number of Magontec Shares the Participant holds; or
- b) the number of Magontec Shares the Participant has nominated to participate in the DRP - if the number nominated in the DRP is less than the number of Magontec Shares the Participant.

5.11. Continued Application of Terms at Sale of Participating Shares

Despite clauses 5.8, 5.9 and 5.10, unless the Board determines otherwise, if:

- a) a Participant disposes of some or all of their Magontec Shares after the DRP Election Date but prior to the Dividend Payment Date;
- b) a Magontec Shareholder is a Participant at the relevant DRP Election Date in respect of the Dividend; and
- c) the DRP is in operation,

these Terms continue to apply to that Dividend as if the disposal of any Participating Shares took effect immediately after the Dividend Payment Date.

6. NO DISCOUNT UNLESS OTHERWISE DETERMINED

6.1. Discount at Directors' Discretion

No Discount will apply for the purposes of calculating the Market Price unless the Directors determine otherwise from time to time.

6.2. Declared Discount Not a Constant

Any Discount determined by the Directors in respect of the DRP for a particular Dividend may differ from any Discount determined by the Directors in respect of the DRP for any other Dividend.

6.3. Variation of Discount

The Discount allocated for a particular Dividend:

- a) may be nil; and
- b) may be varied by announcement to the ASX at any time, but any variation will not apply to Dividends already declared and announced.

7. OBLIGATIONS RELATING TO ISSUED OR TRANSFERRED SHARES

7.1. Nature of Shares Issued Under DRP

Magontec Shares issued or acquired on behalf of, and transferred to, Participants (as applicable) under the DRP:

- a) must be issued or acquired and transferred (as applicable) within the time required by the ASX;
- b) must be issued or acquired and transferred (as applicable) in accordance with the ASX Listing Rules and the Terms;
- c) rank equally with existing Magontec Shares and have attached to them the same rights and obligations as all other Magontec Shares; and
- d) if a Participant lodges separate applications under **clause 10.3** in respect of parcels of Magontec Shares held by that Participant identified in the Register by a separate Shareholder Number, must be registered on the same Register as the Participant's Shares to which the application relates.

7.2. DRP Underwriting

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

8. OPTION TO ISSUE NEW SHARES OR PURCHASE EXISTING SHARES

8.1. Directors' Discretion

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

9. DRP STATEMENTS

9.1. Delivery of Statements to Participants

On, or as soon as practicable after, Magontec Shares are issued or transferred to a Participating Shareholder under the DRP, Magontec will make available to each Participant a DRP Statement containing information relevant to the Participant's Participating Shares.

10. APPLICATION AND NOTICES

10.1. Form of Notices

Any notice or application by a Magontec Shareholder provided for in the Terms must be in the form approved by Magontec from time to time.

10.2. Shareholder Acknowledgements Upon Application

By applying to participate in the DRP, the Magontec Shareholder:

- a) warrants and represents to the Directors that it is an Eligible Shareholder;

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- b) authorises the Directors (and their officers or agents) to correct any error in, or omission from, the applicant's DRP Application or DRP Cancellation and Variation;
- c) acknowledges that Magontec may at any time irrevocably determine that the applicant's DRP Application or DRP Cancellation and Variation is valid, even if the DRP Application or DRP Cancellation and Variation is complete, contains errors or is otherwise defective;
- d) acknowledges that the Directors may reject any DRP Application or DRP Cancellation and Variation;
- e) acknowledges any Discount applicable under the Market Price, may be different from one Dividend to the next; and
- f) acknowledges that none of the Directors, Magontec or the Share Registry has provided the applicant with investment advice or financial product advice and that none of the above has any obligation to provide any advice concerning the applicant's decision to apply to participate in the DRP.

10.3. Separate Notices for Each Holding

Separate notices or applications must be given in respect of each parcel of Magontec Shares identified in the Register by a separate Shareholder Number. A Magontec Shareholder is deemed for the purposes of the DRP to be a separate Magontec Shareholder in relation to each parcel of Magontec Shares identified by a separate Shareholder Number.

10.4. Form of Notice by Magontec

A notice required by these Terms to be given to Magontec Shareholders by Magontec may be given by:

- a) giving the notice to ASX for release to the market (in which case the notice is taken to be given on the date that it is released to the market);
- b) sending the notice to the registered postal address or nominated email address (if applicable) of the Magontec Shareholders (in which case the notice is taken to be given on the date determined in accordance with the Constitution); or
- c) both methods (in which case the notice is taken to be given on the date that it is released to the market).

10.5. Effect of Failure to Provide Notice

The failure by the Company to give a notice of modification, suspension or termination of the DRP or Terms to a Magontec Shareholder, does not invalidate the variation, suspension or termination of the DRP or the Terms (as the case may be).

11. ASX LISTING AND NOTICES

Pursuant to the ASX Listing Rules, Magontec will apply for quotation on ASX of any Magontec Shares issued under the DRP.

12. AMENDMENT OR SUSPENSION OF THE DRP

12.1. Suspension

The Directors may, in their absolute and unfettered discretion, amend the Terms, or suspend or terminate the DRP at any time by giving written notice to Participants.

12.2. Period of Suspension

Subject to [clause 5](#), if the DRP is recommenced following a suspension for:

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- a) less than two consecutive Dividend Payment Dates, each Magontec Shareholder who was a Participant immediately prior to the suspension of the DRP is taken to continue to participate in the DRP when it recommences, unless determined otherwise by the Directors and notified to Participants in accordance with **clause 10**. If the Terms are modified by the Directors, each Participant is taken to continue to participate in the DRP as varied. Any modifications to the Terms of the DRP will be notified by Magontec to the ASX.
- b) two or more consecutive Dividend Payment Dates, Magontec Shareholders will be required to complete a new application form approved by Magontec. Participating in any reinstated DRP is subject to the DRP Rules in place at that point in time. Participating in this reinstated DRP will be subject to the DRP Rules in place at that point in time.

13. COSTS

13.1. No Fees Upon Issue of DRP Shares

No brokerage, commission or other transaction costs are payable by the Participants in respect of an issue or transfer of Magontec Shares under the DRP.

13.2. Fees Upon Later Sale of DRP Shares

Any brokerage, commission and other transaction costs in respect of any subsequent disposal of Magontec Shares acquired under the DRP by a Participant are payable by that Participant.

14. DISPUTES

14.1. Dispute resolution

Any disputes arising under or in relation to the DRP or the Terms may be settled by the Directors as they deem appropriate and any determination made by the Directors will be final and binding.

15. TAXATION

15.1. No Responsibility Taken by Magontec

Magontec takes no responsibility for the taxation liabilities of any Participant.

15.2. Shareholder Responsibility

Magontec Shareholders and Participants are responsible for obtaining their own independent taxation advice, if required.

16. RECORDS

16.1. Magontec's Records Conclusive

Magontec's records are conclusive evidence of the matters recorded in them.

17. GOVERNING LAW

17.1. New South Wales

These Terms will be governed and construed in accordance with the laws of New South Wales.