



ASX Release

11 February 2021

L1 LONG SHORT FUND LIMITED TO IMPLEMENT DIVIDEND REINVESTMENT PLAN

L1 Long Short Fund Limited (ASX: LSF) ("the Company") today announced it would implement a Dividend Reinvestment Plan ("DRP") for its shareholders. It is anticipated that the DRP will operate for eligible shareholders regarding the dividend to be paid on 26 March 2021 and any subsequent dividends.

Participation in the DRP is optional and is available to shareholders of fully paid ordinary shares in the Company who have a registered address in Australia or New Zealand at the relevant dividend record date.

If a shareholder elects to participate in the DRP, that shareholder will be able to reinvest either all or, unless the Company determines otherwise, part of their dividend payments into additional fully paid Company shares. No brokerage, commission or other transaction costs will be payable by the shareholder on shares acquired under the DRP.

The full terms and conditions of the DRP are detailed in the rules of the DRP which (along with a set of frequently asked questions) are attached to this announcement and are available at <http://investors.L1longshort.com/Investor-Centre/>. Also attached is a copy of the communication to be dispatched to eligible shareholders in respect of the DRP. Shareholders who wish to participate must elect to do so and the Company encourages them to make their election online at <https://investorcentre.linkmarketservices.com.au/>.

To participate in the DRP for the dividend to be paid on 26 March 2021, an eligible shareholder's election form must be received by 3 March 2021 at 5:00 p.m. (AEDT).

Shareholders are strongly encouraged to read the full terms and conditions set out in the rules of the DRP and to seek financial advice before electing to participate. The rules of the DRP can be found at <http://investors.L1longshort.com/Investor-Centre/>.

For each dividend, the Company will publish on its website relevant information in relation to the DRP, including the DRP election date and information on the allocation price when available.

For more information, please contact:

L1 Long Short Fund Investor Relations
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A handwritten signature in black ink, appearing to read 'Mark Licciardo', with a stylized flourish at the end.

Mark Licciardo
Company Secretary



11 February 2021

Dear Shareholder

DIVIDEND REINVESTMENT PLAN

L1 Long Short Fund Limited (ASX: LSF) ("the Company") is pleased to confirm that a Dividend Reinvestment Plan ("DRP") has been introduced. The DRP will operate for eligible shareholders starting with the dividend to be paid on 26 March 2021 and, unless the Board determines otherwise, will continue for any subsequent dividends.

Participating in the DRP is optional. The DRP enables you to reinvest either all or, unless the Company determines otherwise, part of your dividend payments into additional fully paid Company shares in an easy and cost-effective way. You will not need to pay any brokerage, commission or other transaction costs on the shares you acquire under the DRP.

Key features of the DRP include:

- **Increase your shareholding** – DRP allows you to increase your holding in one simple step.
- **No additional costs** – Shares allocated under the DRP are free of brokerage, commission or other transaction costs.
- **Optional and flexible participation** – Each time a dividend is paid, you can choose whether or not you participate in the DRP for that particular dividend. We note that participation may be varied or terminated at any time in accordance with the rules of the DRP.
- **Dividend statement** – When you participate in the DRP, you will be provided with a statement detailing the shares you receive.

To be eligible for the DRP, you must hold fully paid ordinary shares in the Company and have a registered address in Australia or New Zealand at the relevant dividend record date. Shareholders are strongly encouraged to seek financial advice before electing to participating and to read both the full terms and conditions in the rules of the DRP, and the frequently asked questions, which are available at <http://investors.L1longshort.com/Investor-Centre/>.

If you wish to participate you must elect to do so before the deadline of 3 March 2021 at 5:00 p.m. (AEDT). We encourage all eligible shareholders to participate by making your election online at <https://investorcentre.linkmarketservices.com.au/>.

For each dividend, the Company will publish on its website relevant information in relation to the DRP, including the DRP election date and information on the allocation price when available.

If you have any questions, please contact Link Market Services on +61 1300 554 474 or at registrars@linkmarketservices.com.au.

Yours sincerely

Andrew Larke
Director
L1 Long Short Fund Limited

Dividend Reinvestment Plan Rules

L1 Long Short Fund Limited (ACN 623 418 539)

11 February 2021

Contents

Page

1	Defined terms and interpretation	1
1.1	Definitions in the Dictionary	1
1.2	Interpretation	1
2	Eligibility to participate	1
2.1	Participation subject to the Rules	1
2.2	Eligible Shareholders	1
2.3	Board's discretion	2
2.4	US persons and estates	2
3	Application to participate	2
3.1	Application to participate	2
3.2	Term of participation	2
3.3	Records	3
4	Extent of participation	3
5	Multiple and joint holdings	4
6	Broker, trustee or nominee accounts	4
7	Minimum Participating Holding and Maximum Participating Holding	5
7.1	Minimum Participating Holding	5
7.2	Maximum Participating Holding	5
8	The effect of applying for participation	5
9	Reinvestment of Dividends and residual balances	6
9.1	Application towards additional Shares	6
9.2	Dividends not available for reinvestment	7
9.3	DRP account and allocation of Shares	7
9.4	Residual balance to be retained	7
9.5	Residual balance to be paid out	7
10	Price of Shares	8
11	Allocation of Shares	8

12	Underwriting	9
13	DRP statements	9
14	Variation or termination of participation	9
15	Reduction or termination by the Participant where no notice is given	10
16	Variation, suspension and termination of the DRP or these Rules	10
17	Cost to Participants	11
18	Applications and other notices	11
19	Taxation	12
20	General	12
1	Dictionary	14
2	Interpretation	16

1 Defined terms and interpretation

1.1 Definitions in the Dictionary

A term or expression starting with a capital letter which is defined in the Dictionary in Schedule 1 has the meaning given to it in the Dictionary.

1.2 Interpretation

The interpretation clause in Schedule 1 sets out rules of interpretation for these Rules.

2 Eligibility to participate

2.1 Participation subject to the Rules

Participation in the DRP is subject to these Rules.

2.2 Eligible Shareholders

- (a) Participation in the DRP:
 - (i) is open to all Eligible Shareholders;
 - (ii) is optional and voluntary;
 - (iii) is not transferable; and
 - (iv) may be varied or terminated at any time in accordance with rule 14.
- (b) Subject to rule 2.3, an **Eligible Shareholder** is, in respect of a particular Dividend:
 - (i) a Shareholder whose address in the Company's share register is at the Dividend Record Date in Australia or New Zealand, unless that person holds Shares only on behalf of another person who resides outside Australia and New Zealand and who would not themselves, if named in the Company's share register, be an Eligible Shareholder under rule 2.2(b)(ii); or
 - (ii) any other Shareholder at that Dividend Record Date in respect of whom the Board is satisfied (in its absolute discretion) that, or who has satisfied the Board that:
 - (A) the offer and issue or transfer of Shares under the DRP to that Shareholder is lawful and practicable in the jurisdiction in which they reside; and
 - (A) the Shareholder does not hold Shares on behalf of any other person who would not, if named in the Company's share register, be an Eligible Shareholder themselves.
- (c) Any Shareholder having a registered address or being resident in a country other than Australia or New Zealand may not be eligible to participate in the DRP because of the legal requirements applying in that country or other factors. The Board has absolute discretion to determine whether any such Shareholder is excluded from participation in the DRP because such participation would or may be impracticable, impossible or illegal.

2.3 Board's discretion

- (a) The Board is entitled to make a final determination as to whether any particular Shareholder is an Eligible Shareholder within the terms of these Rules and to change any such determination, as and when it sees fit. In making this determination, the Board may consider a variety of factors, including whether a Shareholder obtained any necessary approvals or advices to enable, or support, that Shareholder's participation in the DRP in the jurisdiction in which that Shareholder resides and any actual or anticipated inconvenience or expense in allowing, or investigating the possibility of allowing, such participation.
- (b) The Board has absolute discretion to refuse to accept any person's Shares for participation or continued participation in the DRP and to suspend or withdraw any person's Shares from participation, including if the Board considers that the participation of those Shares might:
 - (i) breach of any law in Australia, including the *Foreign Acquisitions and Takeovers Act 1975* (Cth), the Listing Rules or the Constitution;
 - (ii) prejudice the effective operation of the DRP; or
 - (iii) be undesirable or impracticable.
- (c) It is the responsibility of each Shareholder to obtain any necessary approvals to enable that Shareholder to participate in the DRP.

2.4 US persons and estates

Notwithstanding any other rule, a "US person" (as defined in Regulation S of the U.S. Securities Act of 1933), or the estate of any deceased person where the Company has been notified of the estate, is not an Eligible Shareholder.

3 Application to participate

3.1 Application to participate

Subject to the discretion of the Company, an application to participate in the DRP must be made by submitting a DRP Instruction Form to the Share Registry in accordance with rule 18. An Eligible Shareholder's participation in the DRP will take effect in accordance with rule 18(c).

3.2 Term of participation

A DRP Instruction Form validly submitted or otherwise accepted by the Company is effective until:

- (a) the Participant varies or terminates participation in the DRP pursuant to these Rules; or
- (b) termination of the DRP; or
- (c) the Participant ceases to be an Eligible Shareholder, in which case the DRP Instruction Form will become effective again if and at such time as the Shareholder recommences to be an Eligible Shareholder.

3.3 Records

The Company will record, with respect to each Participant:

- (a) the name and address of the Participant (being the name and address in the Company's register of members, from time to time); and
 - (b) the number of Participating Shares held by the Participant from time to time,
- and the Company's record will be conclusive evidence of the matters so recorded.

4 Extent of participation

- (a) Subject to rule 4(e), Shareholders can elect to participate in the DRP for part or all of their Shares. A DRP Instruction Form must specify whether the Shareholder elects Full Participation or Partial Participation, and if Partial Participation is specified, the DRP Instruction Form must 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, including Shares issued pursuant to the DRP, are Participating Shares subject to:
 - (i) the ASX Settlement Operating Rules, ASX Operating Rules, the Listing Rules and the Corporations Act;
 - (ii) any changes to the extent of that Participant's participation; and
 - (iii) the Minimum Participating Holding and the Maximum Participating Holding (in each case, if any).
- (c) **Partial Participation** means that only the number of Shares specified in the DRP Instruction Form by the Participant as Participating Shares (being less than the Participant's total shareholding) are subject to the DRP (subject to the Minimum Participating Holding or 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 Participating Shares in the DRP Instruction Form, the DRP will apply to the lesser number of Shares. Where a Shareholder elects 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 alters the participation level in accordance with rule 14.
- (d) A DRP Instruction Form that does not, in the opinion of the Company, specify whether participation is to be full or partial, that specifies both, or that does not clearly identify the number of Participating Shares or identifies a number of Participating Shares in excess of the number of Shares currently held by the Shareholder, is deemed to be an election for Full Participation.
- (e) The Company may at any time determine that participation is limited to Full Participation and Partial Participation is not available. Such determination may apply to a particular Dividend only or Dividends generally (until further notice).
- (f) 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 4(a), 4(b), 4(c) or 4(e).

5 Multiple and joint holdings

- (a) If a Shareholder has more than one holding of Shares or holds shares on behalf of one or more beneficial owners:
 - (i) each holding, or the parcel of Shares held on behalf of a beneficial owner, will be treated as separate for the purposes of the DRP, such that a separate appropriately completed DRP Instruction Form must be lodged with respect to each separate holding, or parcel held on behalf of a beneficial owner, that is to participate; and
 - (ii) these Rules will apply as if each such holding, or parcel held on behalf of a beneficial owner were held by a separate Shareholder,unless the Board determines otherwise.
- (b) Unless the Board determines otherwise, if Shares are jointly held by 2 or more Eligible Shareholders, all joint holders of such Shares must sign a single DRP Instruction Form (or it must be appropriately completed electronically) 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.

6 Broker, trustee or nominee accounts

If:

- (a) a shareholding account appearing in the Company's register of members 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 (although the names of such persons need not be specified),

then each such holding will, from the date of such notification, be taken to represent a separate Shareholder for the purpose of the Full Participation, Partial Participation, the Minimum Participating Holding (if any) and the Maximum Participating Holding (if any), and these Rules will be read and interpreted accordingly.

7 Minimum Participating Holding and Maximum Participating Holding

7.1 Minimum 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 announcement to the market.
- (b) To the extent that a DRP Instruction Form has specified a number of Participating Shares less than the prevailing Minimum Participating Holding (including an election of Full Participation where the number of Participating Shares would otherwise be less than the limit), for so long as that limit applies:
 - (i) the number of Participating Shares for that Participant for the purposes of these Rules is deemed to be zero; and
 - (ii) on each Dividend Record Date, any Shares specified in the DRP Instruction Form as Participating Shares less than that limit (including an election of Full Participation where the number of Participating Shares would otherwise be less than that limit) 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.

7.2 Maximum Participating Holding

- (a) 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 announcement to the market.
- (b) To the extent that a DRP Instruction 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 be less than that limit), for so long as that limit applies:
 - (i) the number of Participating Shares for that Participant for the purposes of these Rules is deemed to be that limit; and
 - (ii) on each Dividend Record Date, any Shares specified in the DRP Instruction Form as Participating Shares in excess of that limit (including an election of Full Participation where the number of Participating Shares exceed that limit) 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.

8 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;

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- (c) authorises the Company (and its officers or agents) to correct any error in, or omission from, any DRP Instruction Form that it submits;
 - (d) acknowledges that the Company (or its officers or agents) may at any time irrevocably determine that the applicant's DRP Instruction Form is valid, in accordance with these Rules, even if the DRP Instruction Form is incomplete, contains errors or is otherwise defective;
 - (e) acknowledges that the Company may reject any DRP Instruction Form;
 - (f) consents to the establishment of a DRP account on its behalf;
 - (g) consents to any residual positive balance produced by the calculation in rule 9.3 remaining in its DRP account rather than being paid;
 - (h) agrees to the appointment of the Company, or a trustee or nominee (including a broker or the Share Registry) nominated by the Company, as the Participant's agent to acquire Shares, where the Company decides to Allocate Shares to Participants by transferring existing Shares in accordance with rule 11 (and for the avoidance of doubt, the Shareholder agrees to the Company or its nominee taking all steps necessary to register the Shares in the Shareholder's name, including the execution of any share transfers required);
 - (i) consents to the donation of the residual positive balance in its DRP account to one or more registered charities, in the circumstances set out in rule 9.5(b);
 - (j) 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;
 - (k) 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 participate in the DRP and that neither has any obligation to provide this advice or recommendation;
 - (l) unconditionally agrees to the Rules and agrees not to do any act or thing that would be contrary to the spirit, intention or purpose of the DRP or these Rules; and
 - (m) acknowledges that neither the Company nor the Share Registry (nor the Board, any officer or agents of the Company or the Share Registry) will be liable or responsible to the Shareholder for any loss or disadvantage suffered or incurred by the Shareholder as a result, directly or indirectly, of the establishment or operation of the DRP or participation in the DRP or in relation to any advice given with respect to participation in the DRP,

in each case at all times until termination of the DRP or until the Shareholder's participation in the DRP ends.

9 Reinvestment of Dividends and residual balances

9.1 Application towards additional Shares

Each Dividend 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.

9.2 Dividends not available for reinvestment

Any portion of a Participant's Dividend Payment on Participating Shares that:

- (a) is deductible by the Company as withholding tax; or
- (b) the Company is entitled or required to withhold or deduct for any reason from the Dividend payable to the Participant,

will not be applied to acquire or subscribe for Shares under the DRP.

9.3 DRP account and allocation of Shares

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

- (a) determine the Dividend Payment in respect of that Participant's Participating Shares (excluding any amount not available under Rule 9.2);
- (b) credit the amount determined under rule 9.3(a) to the Participant's DRP account and that payment constitutes payment of the Dividend on the Participant's Participating Shares;
- (c) determine the maximum whole number of additional Shares that 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;
- (d) on behalf and in the name of the Participant, subscribe for or acquire that number of Shares and debit the Participant's DRP account with the total price for the Allocated Shares; and
- (e) retain in the Participant's DRP account, without interest, any cash balance remaining (rounded down to the nearest cent) unless and until the cash balance is applied in accordance with these Rules.

Except as set out in these Rules, as required by law or as determined by the Board, neither a Participant's DRP account nor any amount credited to it is transferrable.

9.4 Residual balance to be retained

Subject to rule 9.5, any residual balance in a Participant's DRP account will remain in the Participant's DRP account (without accruing interest) and will be aggregated with any further Dividend Payment credited to the Participant's DRP account.

9.5 Residual balance to be paid out

- (a) If the DRP is terminated by the Company pursuant to these Rules, any residual balance in a Participant's DRP account will remain in the Participant's DRP account and will be paid to the Participant along with, and (where practicable) by the same means as, the Participant's Dividend Payment. Additionally, where the Board determines that the DRP will not apply to a particular dividend, the Board may also determine that the amount in a Participant's DRP account will be paid to that Participant along with and by the same means as that Participant's Dividend Payment.

- (b) If a Participant ceases to participate in the DRP for any reason other than the termination of the DRP by the Company pursuant to these Rules, the Participant will be taken to have directed the Company to donate any residual balance in the Participant's DRP account on behalf of the Participant to one or more registered charities, nominated by the Board from time to time. Participants will not be issued with a receipt in connection with any donation made under this rule.

10 Price of Shares

- (a) Shares are allocated under the DRP at the **Allocation Price**, which is either (in the absolute discretion of the Company):
- (i) the Average Market Price for the Pricing Period, less the Discount (if any) determined by the Company rounded to the nearest cent; or
 - (ii) where existing Shares are acquired for transfer to the Participants, the average of the actual price paid for all Shares which will be used to satisfy the Company's obligations in respect of a particular Dividend, under these Rules.

The determination by the Company of the Allocation Price is binding on all Participants.

- (b) The Average Market Price must be calculated by the Company or another suitable person nominated by the Company, by reference to information the Company approves for that purpose from time to time.
- (c) A Discount (if any) or Pricing Period may be different from one Dividend to the next, and either may be determined or varied by announcement to the market at any time.

11 Allocation of Shares

- (a) The Company may, in its discretion, either issue new Shares or cause existing Shares to be acquired for transfer to Participants (or undertake a combination of both options), to satisfy its obligations under these Rules. If the Company determines to cause the transfer of Shares to Participants, those Shares may be acquired in the market or otherwise in such manner as the Company considers appropriate.
- (b) 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.
- (c) Allocated Shares 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 that the Company determines.
- (d) The Company will make application promptly after each Allocation of newly issued Shares for quotation of those shares on the ASX.

- (e) Shares will not be issued under the DRP if the issue would breach a provision of any applicable law.

12 Underwriting

The Board may, in its absolute discretion, choose to procure the partial or complete underwriting of the DRP in respect of any Dividend by one or more underwriters to be appointed by the Company.

13 DRP statements

On, or as soon as practicable after, each Dividend Payment Date, the Company will forward a statement to each Participant 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 withheld or 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 Allocated Shares, the Allocation Price of each Share 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 franked amount (if any) of the Dividend Payment and the franking credit (if any) attached to the Dividend; and
- (h) any other matters required by law to be included in a statement.

14 Variation or termination of participation

- (a) A Participant may at any time give written notice to the Company via the Share Registry using a DRP Instruction Form:
 - (i) increasing or decreasing the number of Shares participating in the DRP (including by varying participation for Partial Participation to Full Participation, or vice versa); or
 - (ii) terminating participation in the DRP.
- (b) The alteration or termination takes effect in accordance with rule 18 (meaning it will only be effective in respect of a Dividend if the DRP Instruction Form is received before the Election Date for that Dividend, unless the Company determines otherwise). If a Participant increases the level of participation in the DRP to Full Participation, rule 4(b) applies.

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- (c) If a Participant decreases the level of participation in the DRP or increases the level of participation in the DRP to a level below Full Participation, rule 4(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) Following termination of participation for whatever reason (including termination of the DRP under rule 16), if the Participant or the Participant's legal representative requests a statement of the Participant's DRP account made out to the date of termination, the Company will provide that statement.
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15 Reduction or termination by the Participant where no notice is given

- (a) Where all of a Participant's Shares are Participating Shares and the Participant disposes of some 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 Shares then unless the Participant advises the Company via the Share Registry otherwise in writing at least 5 Trading Days prior to the disposal, the Shares disposed of will, to the extent possible:
 - (i) first, reduce the number of Shares that are not Participating Shares that the Participant holds (if any); and
 - (ii) secondly, reduce the number of Participating Shares that the Participant holds (if any).
 - (c) Where a Participant disposes of all Shares without notifying the Company via the Share Registry of termination of participation and the Participant is not registered as a holder of any Shares on the following Dividend Record Date, the Participant is deemed to have terminated participation in the DRP with respect to the shareholding effective on that following Dividend Record Date.
 - (d) For the purpose of this rule 15, a Participant 'disposes' of Shares if the Participant holds fewer Shares on a Dividend Record Date than the Participant held on the preceding Dividend Record Date.
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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 announcement to the market. Following suspension, the DRP or these rules may be reinstated by the Company at any time by announcement to the market. The DRP and these Rules may be varied, suspended and reinstated more than once.

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- (b) Without limiting its power under rule 16(a), 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.
 - (c) The variation, suspension, termination or reinstatement takes effect on 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 or action against, the Company or its officers, employees and agents.
 - (d) 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 terminates its participation in the DRP by submitting an appropriately completed DRP Instruction Form in accordance with these Rules.
 - (e) If the DRP is suspended, an election as to participation in the DRP will also be suspended and all Shares are deemed not to be Participating Shares for the purpose of any Dividend paid while the DRP is suspended. Upon reinstatement of the DRP, all prior elections are reinstated and will continue to apply until a new valid DRP Instruction Form is lodged, unless the Company determines otherwise.
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17 Cost to Participants

No brokerage, commission, or other transaction costs are payable by Participants in respect of Allocated Shares under the DRP and no stamp or other duties are payable, under present law, by Participants in respect of Allocated Shares 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 Allocated Shares under the DRP.

18 Applications and other notices

- (a) For the purposes of this rule 18, an application or notice includes, but is not limited to, a DRP Instruction Form.
 - (b) 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.
 - (c) Subject to rules 18(d) and 18(e), applications and notices are effective upon receipt by the Company or the Share Registry (as appropriate) subject to these Rules.
 - (d) The Company will set a time and date by which applications must be received by the Company or the Share Registry for the Shareholder to have elected to participate in the Plan in accordance with the ASX Listing Rules (**Election Date**). Unless the Company determines otherwise, applications or notices received after the Election Date for a Dividend are not effective in respect of that Dividend but are effective in respect of subsequent Dividends.
 - (e) Without limiting 18(d), the Company has absolute discretion to:
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- (i) accept or reject applications or notices which are not properly completed or signed; and
- (ii) prior to acceptance, correct any error in, or omission from an application form or notice.
- (f) The accidental omission by the Company to give any notice under these Rules to any Shareholder, the ASX or any other person will not invalidate any act, matter or thing.
-

19 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.
-

20 General

- (a) Any Dividend, payable on Participating Shares, that 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, are not available for the purpose of participating in the DRP.
- (b) Any power, discretion or function of the Company under these Rules may be exercised or undertaken by the Board and the Board may delegate any such power, discretion or function to any person.
- (c) Subject to the Constitution, the Company may:
- (i) implement the DRP in any manner the Company thinks fit;
- (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.
- (d) Neither the Company nor any officer, employee, agent or adviser of the Company is 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 any one or more of:
- (i) the establishment or operation of the DRP;
- (ii) participation or non-participation in the DRP; or
- (iii) any advice given with respect to participation in the DRP by any other person.
-

- For personal use only
- (e) 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.
 - (f) Despite anything else in these Rules, the Listing Rules and the Corporations Act prevail to the extent of any inconsistency with these Rules.

Schedule 1 Dictionary

1 Dictionary

In these Rules:

Allocated Shares means the Shares allocated to the Participant under the DRP.

Allocation means

- (a) the issue of new Shares to Participants under the DRP; or
- (b) the transfer of Shares acquired for the purposes of the DRP to Participants under the DRP,

as the case may be.

Allocation Price means the price at which Shares will be Allocated under the DRP calculated in accordance with rule 10.

ASX means ASX Limited (ACN 008 624 691) and where the context permits, the stock market operated by ASX Limited.

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.

Average Market Price means the arithmetic average of the daily volume weighted average sale price (calculated to the nearest cent) of Shares traded on the ASX during the relevant period, excluding any Excluded Transactions.

Board means the board of directors of the Company.

Business Day has the meaning given in the Listing Rules.

Company means L1 Long Short Fund Limited (ACN 623 418 539).

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

Corporations Act means the *Corporations Act 2001* (Cth).

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 cash dividend per Share announced and payable by the Company.

Dividend Payment for a Shareholder means the Dividend multiplied by the number of Shares held by that Shareholder as at the Dividend Record Date, less any 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 to the market.

Dividend Record Date means the time and date, as determined by the Board, at which a person holds or is taken to hold Shares for the purpose of determining a Shareholder's entitlement 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.

DRP Instruction Form means the form (whether in paper format or electronic) relating to the DRP used to apply for participation in the DRP, or to vary or terminate a Shareholder's participation in the DRP, as approved by the Company from time to time.

Election Date has the meaning given in rule 18(d).

Eligible Shareholder has the meaning given to it in rule 2.

Excluded Transaction means any transaction, as determined by the Company in its absolute discretion, to be an abnormal transaction (on the basis that that the transaction is not fairly reflective of natural supply and demand), including but not limited to crossings which occur off market (including, for example, any transaction described in the ASX Operating Rules as a 'special crossing', crossings with price improvement which occur off market, crossings prior to the commencement of normal trading, crossings during the closing phase and the after hours adjust phase and any overnight crossings), and any overseas trades or trades pursuant to the exercise of options over Shares.

Full Participation means a degree of participation in the DRP under which all of a Participant's Shares from time to time (subject to the limit imposed by the Maximum Participating Holding, if any) including Shares subsequently acquired by the Participant under the DRP or otherwise, are Participating Shares.

Listing Rules means the listing rules of the ASX and any other rules of the ASX that are applicable while the Company is admitted to the Official List of the ASX.

Maximum Participating Holding means the number of Shares, if any, determined by the Company from time to time under rule 7.2.

Minimum Participating Holding means the number of Shares, if any, determined by the Company from time to time under rule 7.1.

Partial Participation means a degree of participation in the DRP under which less than all of a Participant's Shares from time to time (or less than the Maximum Participating Holding (if any) of a Participant's Shares) are Participating Shares.

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

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

Pricing Period means the period determined by the Board (commencing before or after the Dividend Record Date), being a period of not less than 5 Trading Days.

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

Shareholder means a registered holder of Shares.

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

Share Registry means the share registry that maintains the share register of the Company.

Trading Day means a full day (other than a day on which the ASX is closed or on which trading on the ASX is suspended) on which Shares are quoted, and not suspended from quotation or made subject to a trading halt on the ASX.

2 Interpretation

In these Rules, unless the context requires otherwise:

- (a) headings are for convenience only and do not affect interpretation;
- (b) words importing the singular include the plural and vice versa;
- (c) words importing a gender include any gender;
- (d) other parts of speech and grammatical forms of a word or phrase defined have a corresponding meaning;
- (e) any reference in these Rules to any enactment, part of an enactment or the Listing Rules includes a reference to that enactment, part of enactment or those Listing Rules as from time to time amended, consolidated, re-enacted, replaced and, in the case of an enactment, all regulations and statutory instruments issued under it;
- (f) unless otherwise expressly stated, “including” means “including but not limited to” and “include” and “includes” have corresponding meanings; and
- (g) a reference to a body, whether statutory or not:
 - (i) that ceases to exist; or
 - (ii) whose powers or functions are transferred to another body,is a reference to the body that replaces it or that substantially succeeds to its powers or functions; and
- (h) a reference to dollars or \$ is to Australian currency.

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Dividend reinvestment plan - Frequently asked questions

L1 Long Short Fund Limited
ACN 623 418 539

11 February 2021

HIGHLIGHTS

1 HIGHLIGHTS OF THE DIVIDEND REINVESTMENT PLAN

You may elect to have the Dividends on all or some of your Shares in the Company automatically reinvested in additional Shares.

Shares in the Company will be issued under the DRP at the volume weighted average market price during the period determined by the Board from time to time, less any applicable discount determined by the Board from time to time.

You do not have to pay any administrative, brokerage, commission or stamp duty costs.

Shares in the Company issued under the DRP rank equally with existing Shares in the Company.

Participation in the DRP is optional. You may apply to participate in the DRP, vary your participation or withdraw from it at any time.

A DRP statement providing details of your participation will be made available to you on, or as soon as reasonably practicable after, the date Shares are issued or transferred to you.

2 HOW TO PARTICIPATE

Subject to the DRP Rules, you are an eligible shareholder and may participate in the DRP if, as at the Dividend Record Date, you hold fully paid ordinary shares in the Company and your address recorded in the Company's share register is in Australia or New Zealand.

The Company can also, at its discretion, extend participation to shareholders with an address recorded in the Company's share register that is in a jurisdiction outside of Australia or New Zealand where the Company is satisfied that the offer and issue or transfer of Shares in that jurisdiction under the DRP is lawful and practicable.

To participate in the DRP complete either online if eligible to do so or download the form made available on:

- (a) the Link Market Services Investor centre website at <https://investorcentre.linkmarketservices.com.au/>

1. Click on **Payments & Tax** tab
2. Select **Reinvestment Plans** to provide your DRP election

- (b) the Company's website at <http://investors.l1longshort.com/Investor-Centre/>

Subject to the Board's discretion, participation in the DRP commences on the first Dividend payment after the Company receives and accepts the duly completed and executed DRP Instruction Form. Your Instruction Form must be received by 5.00pm Melbourne time on the first Business Day following the Dividend Record Date for a dividend (**DRP election date**), in order to be effective in respect of that dividend. When announcing each dividend, the Company will publish a timetable of relevant dates in relation to the DRP including the relevant DRP election date. If your election is received after the DRP 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.

3 FURTHER INFORMATION

If you require further information about the DRP, please contact L1 Long Short Fund Limited's Share Registry, Link Market Services Limited at:

Post

L1 Long Short Fund Limited
c/- Link Market Services
Tower 4, 727 Collins Street
Docklands VIC 3008
Australia

Online

www.linkmarketservices.com.au

Email

registrars@linkmarketservices.com.au

Telephone

+61 1300 554 474

Facsimile

+61 2 9287 0303

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DEFINED TERMS

Defined terms used in these highlights and frequently asked questions have the same meaning as set out in DRP Rules.

FREQUENTLY ASKED QUESTIONS

1 AM I ELIGIBLE TO PARTICIPATE?

All Shareholders with an address in Australia or New Zealand on the Register are eligible to participate in the DRP. Shareholders who do not have an address in Australia or New Zealand may only participate in the DRP if the Board in its absolute discretion approves of the participation.

Participation in the DRP by Eligible Shareholders is:

- (a) optional and voluntary; and
- (b) not transferable.

2 HOW DO I PARTICIPATE?

You may elect to participate in the DRP by submitting a DRP Instruction Form. The easiest way to complete your DRP Instruction Form is online if eligible to do so or download the form made available on:

- (a) the Link Market Services Investor centre website at <https://investorcentre.linkmarketservices.com.au/>
 - 1. Click on **Payments & Tax** tab
 - 2. Select **Reinvestment Plans** to provide your DRP election
- (b) the Company's website at <http://investors.l1longshort.com/Investor-Centre/>

Subject to the Board's discretion, participation in the DRP commences on the first Dividend payment after the Company receives and accepts the duly completed and executed DRP Instruction Form. The DRP Instruction Form must be received by 5.00pm (AEST) on the first Business Day after the Dividend Record Date.

3 DO I HAVE TO PARTICIPATE?

No, participation is optional. If you are unsure whether to participate, you should obtain your own independent advice before making a decision.

4 DO I HAVE TO PARTICIPATE FOR ALL OF MY SHARES? FULL OR PARTIAL PARTICIPATION?

Subject to the Company's discretion, Shareholders may elect in their DRP Instruction Form to participate in the DRP as either:

(a) **Full participation**

If you choose full participation, all Dividends for all of the Shares held by you at the relevant Dividend Record Date are treated as Participating Shares. The Dividends on all of your Shares are, subject to the DRP Rules, reinvested as Participating Shares.

(b) **Partial participation**

If you choose partial participation, only the specific number of Shares nominated are Participating Shares. For Shares not participating in the DRP, Dividends will be paid into your nominated financial institution or by cheque, depending on the payment instructions you have provided to the Company's Share Registry. Dividends paid on Participating Shares are reinvested in new Shares in accordance with the DRP Rules.

5 IS THERE A MINIMUM OR MAXIMUM PARTICIPATION LEVEL?

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

6 IS THERE A DISCOUNT?

The Board will determine for each Dividend whether a Discount will be applied to the DRP. The Discount, if any, will be announced to the ASX at the time the relevant Dividend is announced to the ASX.

7 WILL THESE SHARES BE THE SAME AS MY EXISTING SHARES?

Yes, Shares issued or transferred under the DRP rank equally in all respects with existing Shares from the date of issue, and are therefore eligible to participate in any subsequent DRP.

8 HOW MANY SHARES WILL I RECEIVE?

The number of new Shares to be issued or transferred to you depends on the value of the Dividend declared. The number of Shares that you will receive will be the value of the Dividend payable on your Participating Shares (net of withholding tax or any other amounts the Company is entitled or required to deduct from the payment) at the Dividend Record Date divided by the Allocation Price, rounded down to the nearest whole number of Shares.

9 WHAT HAPPENS TO ANY RESIDUAL VALUE AFTER EACH DIVIDEND?

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

If you continue to hold Shares under your shareholder number at the Dividend Record Date and continue to participate in the DRP, any balance remaining after rounding down that is less than the price of one new Share will be retained for you and used to subscribe for shares under the DRP with the next Dividend.

If you cease to participate in the DRP before the Dividend Record Date but continue to hold shares under your shareholder number at the Dividend Record Date for the next dividend, you will be taken to have directed the Company to donate any residual balance in your DRP account on your behalf to one or more registered charities, nominated by the Board from time to time (other than in limited circumstances set out in the DRP Rules).

Refer to rule 9 of the DRP Rules for further information about the residual balance.

10 WILL I HAVE TO PAY ANYTHING TO PARTICIPATE IN THE DRP?

No brokerage or other transaction or administration costs are payable by Participants on Shares issued under the DRP at this time. You are responsible for costs associated with seeking independent advice concerning your participation in the DRP.

11 WHAT IF I HAVE MORE THAN ONE SHAREHOLDING?

Where you have more than one shareholding of shares, each shareholding will be treated as separate for the purposes of the DRP such that a separate application must be lodged either making an online election or submitting a separate participation notice for each shareholding.

You will have to submit a separate DRP Instruction Form for each shareholding registered under different names or for each shareholding that has a different shareholder registration number.

12 HOW WILL I KNOW HOW MANY SHARES I HAVE BEEN ISSUED OR TRANSFERRED?

The Company's Share Registry will make available to you a DRP statement after each Dividend Payment Date.

13 WHEN WILL SHARES BE RECORDED IN MY NAME?

Shares issued or transferred under the DRP will be recorded in the Company's register of members under your name on or about the date of payment of the relevant Dividend.

You should confirm that the Shares have been recorded in your name before entering into any transaction involving Shares issued or transferred under the DRP.

14 DOES PARTICIPATING IN THE DRP RESTRICT ME FROM SELLING MY SHARES?

No. Participation in the DRP does not restrict you from selling your Shares.

However, if you sell all of your Shares, your participation in the DRP will cease with effect from the date the Company registers a transfer or instrument of disposal of your holding.

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

15 HOW DO I CHANGE OR TERMINATE MY PARTICIPATION IN THE DRP?

You may vary your level of participation or withdraw from the DRP at any time by submitting a DRP Instruction Form.

Subject to the DRP Instruction Form being received by 5.00pm (AEST) on the DRP Election Date, the variation or withdrawal will be effective for that Dividend.

A DRP Instruction Form that is received after the DRP Election Date for a Dividend is not effective for that Dividend but takes effect in respect of the next Dividend declared by the Board.

16 WHAT WILL BE THE PRICE OF SHARES ALLOCATED UNDER THE DRP?

The Company may (in its absolute discretion) either issue new Shares or cause existing Shares to be acquired for transfer to DRP Participants (or undertake a combination of both options) to satisfy its obligations under the DRP.

The Company intends to satisfy its obligations under the DRP by issuing new Shares to DRP Participants, in which case the Allocation Price of the Shares issued will be the average of the daily volume weighted average sale price (rounded to the nearest cent) of Shares traded on the ASX during a period determined by the Board (being no less than five Trading Days) other than certain types of trades such as special crossings and any other trades which the Company determines are not fairly reflective of natural supply and demand, less any Discount (if any) determined by the Company.

However, if at a later time, the Company decides to exercise its discretion to satisfy its obligations under the DRP by the transfer of existing Shares (and makes an announcement to the market to that effect), the Allocation Price will be the average actual price paid for all of those existing Shares in respect of a particular Dividend under the DRP Rules.

Under the Rules, the Company may choose to provide a Discount in relation to shares allocated under the DRP (which will be announced to ASX along with the details of the relevant dividend).

The announcement by the Company of the allocation price is binding on all Participants in the DRP pursuant to the Rules.

The final allocation price for a dividend will be announced to ASX and posted on the Company's website after the allocation price is determined.

17 CAN THE DRP BE MODIFIED, SUSPENDED OR CANCELLED?

The DRP may be modified, suspended or terminated by the Board at any time. Any such changes will be notified to the ASX and updated on the Company's website.

18 DOES THE DRP APPLY IN RESPECT OF EVERY DIVIDEND?

No. In addition to varying, suspending or terminating the DRP, the Board may at any time determine that the DRP will not apply for a particular dividend by making an announcement to the market to that effect. The Company will announce to the market whether the DRP applies in respect of a particular dividend at the same time the Dividend is announced.

19 WHAT IF I AM A NOMINEE?

If you are a nominee, please submit your DRP Instruction Form(s) directly to the Company's Share Registry.

If you are a nominee and hold Shares for a number of different persons who wish to participate in the DRP, you must notify the Company in accordance with rule 6 of the DRP Rules.

20 WHAT ARE THE TAXATION IMPLICATIONS OF PARTICIPATING?

For tax purposes, Dividends reinvested under the DRP are usually assessable for income tax in the same way as cash Dividends in Australia and New Zealand.

For Australian tax purposes, an Australian resident shareholder participating in the DRP should be treated as having received the dividends which have been reinvested in acquiring additional shares in the Company. The tax treatment of dividends received on participating shares should be the same as dividends received on non-participating shares. That is, the grossed up dividend (i.e. including franking credits) should be assessable to the shareholder at their marginal tax rate and the shareholder may be entitled to claim a tax offset equal to the franking credits.

The Australian tax implications of a future sale of additional shares acquired under the DRP will depend on the particular circumstances of the shareholder. For capital gains tax purposes, the cost base of the additional shares includes the amount of the dividend reinvested to acquire those additional shares. Shareholders should retain records supporting the calculation of their cost base in those additional shares.

The Company takes no responsibility for any taxation liability of Participants. Shareholders should seek taxation advice specific to their individual circumstances from professional advisers before deciding whether or not to participate in the DRP.

21 WHERE CAN I GET FURTHER INFORMATION?

For more information or to request a DRP Instruction Form, refer to the DRP Rules or contact the Company's Share Registry:

Post

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c/- Link Market Services
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Docklands VIC 3008
Australia

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