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Dividend Reinvestment Plan Rules

Comms Group Limited ACN 619 196 539

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Background

- A The Dividend Reinvestment Plan of the Company (**DRP**) allows Shareholders to reinvest all or part of any dividend paid on their Shares in additional Shares instead of receiving the dividend in cash. Participation in the **DRP** is entirely optional.
- B The **DRP** is administered in accordance with these **DRP Rules**.
- C It is important that Shareholders read these **DRP Rules** carefully before deciding whether to participate in the **DRP**. If Shareholders have any questions or need advice with respect to their participation in the **DRP**, Shareholders should contact an independent professional adviser.

Terms

1 Definitions and interpretation

1.1 Definitions

In these **DRP Rules**, unless the context otherwise requires:

ASX means ASX Limited ABN 98 008 624 691 or Australian Securities Exchange, as the context requires.

Business Day has the same meaning as in the Listing Rules;

Company means Comms Group Limited ACN 619 196 539.

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

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

Directors means the board of the Company as defined in the Constitution or any duly appointed committee of the board.

DRP means the Company's Dividend Reinvestment Plan, implemented and maintained by the Directors pursuant to the Constitution.

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

DRP Shares means Shares in respect of which a Shareholder has elected to participate in the **DRP**.

Election Notice means an election to participate in the **DRP** in such form prescribed or approved by the Directors from time to time, including any electronic election notice, which form may be combined with or form part of any other form or notice.

Listing Rules means the official Listing Rules of ASX, as amended from time to time.

Loss includes any losses, liabilities, damages, costs, charges or expenses, however arising.

Market Price of Shares has the meaning given to that term in clause 7.2(a).

Non-DRP Shares means Shares not subject to the **DRP**.

Normal Trade has the meaning given to that term in clause 7.2(b).

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

Record Date means the date nominated by the Directors for the purpose of identifying the Shareholders who are entitled to receive a particular dividend.

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

Shareholder means a registered holder of one or more Shares.

Termination Notice means a notice to terminate participation in the DRP in such form prescribed or approved by the Directors from time to time, including any electronic termination notice, which form may be combined with or form part of any other form or notice.

Trading Day has the same meaning as that term is defined in the Listing Rules.

Variation Notice means a notice to vary participation in the DRP substantially in such form prescribed or approved by the Directors from time to time, including any electronic variation notice, which form may be combined with or form part of any other form or notice.

1.2 Interpretation

In these DRP Rules, unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate;
- (d) a reference to a document or these DRP Rules includes any variation or replacement of it; and
- (e) a reference to legislation includes regulations and other instruments made under that legislation and any variation or replacement of any of them.

2 The DRP

2.1 General

The DRP is a means by which Shareholders may elect to receive Shares instead of cash for dividends declared by the Company in respect of all or part of their holdings of Shares.

2.2 Applicable Law

These DRP Rules are subject to the Corporations Act, the Listing Rules and the Constitution.

2.3 Participation in the DRP

Participation in the DRP:

- (a) is optional and voluntary;
- (b) is not transferable;
- (c) may be varied or terminated at any time in accordance with these DRP Rules; and
- (d) is subject to these DRP Rules, the Corporations Act, the Listing Rules and the Constitution.

2.4 Participants to be bound

Participants are at all times bound by the DRP Rules.

3 Eligibility to participate

3.1 Eligibility

Subject to this clause 3 and clause 4, all Shareholders are eligible to participate in the DRP.

3.2 Discretion of Directors

The Directors may at any time exclude a Shareholder from participating in the DRP if they consider that, for any reason, participation by that Shareholder would not be in the best interests of the Company.

3.3 Shareholders in countries other than Australia and New Zealand

A Shareholder whose address as it appears on the Share register is outside of Australia or New Zealand is not eligible to participate in the DRP unless the place of such address 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 reasonable.

4 Level of Participation

4.1 Full or partial participation

A Shareholder may participate in the DRP:

- (a) in respect of all Shares registered in the name of the Shareholder as at each Record Date; or
- (b) in respect of a specific number of Shares specified by that Shareholder, provided such number is less than the Shareholder's total holding of Shares as at the relevant Record Date.

4.2 Full dividend payable

Neither full participation nor partial participation applies to Shares in respect of which, as at the relevant Record Date, a full dividend is not then payable.

4.3 Shares subsequently acquired where full participation

Subject to clause 5.8, if a Participant has elected full participation, all Shares subsequently acquired by the Participant whether under the DRP or otherwise are added to the number of DRP Shares of that Participant unless a Variation Notice has been delivered to the Company in accordance with clause 11 or a Termination Notice has been delivered to the Company in accordance with clause 12.

4.4 Shares subsequently acquired where partial participation

Subject to clause 5.8, if a Participant has elected partial participation, all Shares subsequently acquired by the Participant are DRP Shares to the extent to which this does not make the number of DRP Shares more than the number specified by the Participant in the current Election Notice of the Participant, unless a Variation Notice has been delivered to the Company in accordance with clause 11 or a Termination Notice has been delivered to the Company in accordance with clause 12.

4.5 More than one holding

Where a Shareholder has more than one holding of Shares:

- (a) Each holding will be treated as separate for the purposes of the DRP, such that a separate Election Notice must be lodged with respect to each separate holding that is to participate; and

- (b) these DRP Rules will apply as if each such holding were held by a separate Participant.

5 Election Notice

5.1 Notice for full participation

If a Shareholder wishes all of its Shares to become DRP Shares, it must lodge a duly completed and executed Election Notice electing full participation.

5.2 Notice for partial participation

If a Shareholder wishes some of its Shares to become DRP Shares, it must lodge a duly completed and executed Election Notice indicating how many Shares are to become DRP Shares and only the number of Shares so specified will become DRP Shares.

5.3 More Shares than actually held

If a Shareholder elects in an Election Notice to have a greater number of Shares than that held by the Shareholder as at the date of the Election Notice, the number of Shares so specified or the number of Shares actually held by the Participant on each Record Date, whichever is less, will be DRP Shares.

5.4 Lodgement date for Election Notice

To be effective for a dividend, the Election Notice must be received by the Company by 5pm (Sydney time) on the Business Day following the Record Date for that dividend.

5.5 Term of Election Notice

An Election Notice remains in force until:

- (a) the Participant:
- (i) formally varies the Election Notice;
 - (ii) formally terminates participation in the DRP; or
 - (iii) dies; or
- (b) the Company terminates the DRP.

5.6 Where level of participation not specified

An Election Notice that is signed but does not specify the level of participation desired is deemed to be for full participation.

5.7 Joint holders

An Election Notice to participate in the DRP by joint holders must be signed by all holders.

5.8 Shares sold or transferred to third party

Shares that are sold or otherwise transferred to a new owner cease to participate in the DRP on registration of the transfer.

6 Operation of the DRP

6.1 Discretion of Directors

- (a) Subject to any notice to ASX, Participants and/or Shareholders, the Directors in their discretion will determine, for any dividend, the operation of the DRP in terms of

whether to issue new Shares or to cause the transfer of existing Shares to a Participant, or to apply a combination of both, to satisfy the obligations of the Company under the DRP Rules.

- (b) If the Directors determine to cause the transfer of existing Shares to Participants, the Shares may be acquired in such manner as the Directors consider appropriate, including in the market.
- (c) The Directors in their discretion may have the DRP underwritten in respect of one or more dividends.
- (d) The Directors in their discretion may limit participation in the DRP to a maximum dollar amount per Participant or a maximum number of Shares per Participant.
- (e) The Directors in their discretion may determine a minimum permitted number of Shares per Participant that may participate in the DRP.

6.2 **DRP account**

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

- (a) determine the amount of that dividend payable in respect of the Participant's DRP Shares;
- (b) determine (where applicable) the Australian withholding tax deductible by the Company in respect of the dividend, and any other sum the Company is entitled to retain in respect of the DRP Shares;
- (c) credit the amount in clause 6.2(a) and debit any amount in clause 6.2(b) to the Participant's DRP account;
- (d) determine the maximum whole number of Shares that can be acquired under these DRP Rules by dividing the amount in the Participant's DRP account by the price determined under clause 7 and rounding down to the nearest whole Share; and
- (e) issue or cause the transfer of that number of Shares to the Participant and debit the application amount or the acquisition amount (as the case may be) against the balance in the Participant's DRP account.

6.3 **Residue**

On the termination of participation in the DRP by a Participant, any residual balance in the Participant's DRP account at that time will, if greater than \$5.00, be directly credited to the Participant's nominated financial institution account or paid to the Participant in any other manner determined by the Directors (any such payment will be made on the terms determined by the Directors). Any residual balance of \$5.00 or less in a Participant's DRP account will be retained by the Company.

7 Issue and Transfer Price

7.1 **Issue or Transfer for Market Price**

Each Share issued or transferred under the DRP will be issued or transferred at the Market Price of Shares less such discount (if any) as the Directors may determine from time to time and notify to ASX (rounded to the nearest cent).

7.2 **Meaning of Market Price of Shares and Normal Trade**

- (a) For the purposes of these DRP Rules, the expression **Market Price of Shares** means the volume weighted average market price of all Shares sold through a **Normal Trade** on ASX's automated trading system (and/or such other trading system as the

Directors may determine from time to time) during the five Trading Days commencing on the Trading Day following the relevant Record Date, or such other period commencing before or after the Record Date as the Directors may determine and announce to ASX. If, at the absolute discretion of the Directors, the **Market Price of Shares** as calculated above is not considered by the Directors to represent the then fair market value of Shares, the Directors may determine the fair market value of Shares in their discretion.

- (b) **Normal Trade** means all trades excluding trades such as special crossings, 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 Shares, or any other trade determined by the Directors in their discretion not to be reflective of normal trading in Shares.
- (c) The calculation of the Market Price of Shares, including the determination of Normal Trades, may be made by the Directors or a person nominated by the Directors, and may be determined by reference to such information as the Directors approve for this purpose from time to time, and, in the absence of manifest error, is binding on Participants.

8 Issues and Transfers under the DRP

8.1 Terms of Issue

Shares issued under the DRP will:

- (a) be issued in accordance with the Corporations Act, the Listing Rules and the Constitution;
- (b) from the date of issue, rank equally with other Shares; and
- (c) be registered on the Company's Share register.

8.2 Registration of Share transfers

Shares transferred under the DRP to the Participant will be registered in the name of the Participant on the Company's Share register.

9 Statements to Participants

After each issue or transfer of Shares under the DRP, the Company will forward to each Participant a statement setting out:

- (a) the number of DRP Shares held by the Participant excluding those Shares last issued or transferred to the Participant under the DRP;
- (b) the amount of the last dividend paid in respect of those DRP Shares;
- (c) the issue or transfer price of the last Shares issued or transferred to the Participant under the DRP;
- (d) the number of Shares issued or transferred to the Participant under the last DRP issue or transfer;
- (e) the Participant's total holding of Shares after issue or transfer; and
- (f) the residual cash balance in the Participant's DRP account (if any).

10 Costs to Participants

No brokerage, commission, stamp duty or other transaction costs will be payable by Participants in respect of any issue or transfer of Shares under the DRP. However, the Company does not assume liability for any taxes or other imposts assessed against or imposed on a Participant.

11 Variation to Participation

- (a) Subject to clause 14(b) and 14(c), a Participant may, at any time, increase or decrease the number of Shares subject to the DRP by lodging a duly completed and executed Variation Notice.
- (b) Where Shares are held jointly, all joint Shareholders must sign the Variation Notice.
- (c) A Variation Notice must be received by the Company by no later than 5pm (Sydney time) on the Business Day following a Record Date to be effective for that dividend.

12 Termination of Participation

12.1 Termination by Participant

Subject to clause 14(b) and clause 14(c), a Participant may, at any time, terminate its participation in the DRP by lodging a duly completed and executed written Termination Notice.

12.2 Joint Holdings

Where Shares are held jointly, all joint Shareholders must sign the Termination Notice.

12.3 Death of Participant

Subject to clause 14(b) and clause 14(c), if a Participant dies, participation in the DRP by that Participant and any other Participants with whom the deceased was a joint Participant will be terminated upon receipt of notice by the Company of the death of the Participant.

12.4 Bankruptcy of Participant

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 applicable).

12.5 Deadline to receive Termination Notice

A Termination Notice must be received by the Company by no later than 5pm (Sydney time) on the Business Day following a Record Date to be effective for that dividend.

13 Disposals

13.1 Disposal of remaining DRP Shares

Where all of the Participant's Shares are DRP Shares, in the event that some of those Shares (but not all of the Participant's Shares) are disposed of, the remaining Shares held by the Participant will continue to be DRP Shares.

13.2 Disposal of Non-DRP Shares

Where some of a Participant's Shares are DRP Shares, in the absence of a Variation Notice or Termination Notice, the Participant will be deemed to dispose of its Non-DRP Shares first.

14 Applications and Notices

- (a) Any application or notice referred to in these DRP Rules must be in such form as the Directors may from time to time require. The Directors may determine that any application or notice referred to in these DRP Rules can be lodged electronically.
- (b) Notices received by the Company's Share registry prior to 5.00pm (Sydney time) on the Business Day following a Record Date for a particular dividend will be effective in respect of that dividend and all subsequent dividends.
- (c) Subject to clause 14(b), applications and notices are effective on receipt at the Company's Share registry and take effect from the next Record Date following such receipt.
- (d) Any notice to be given to Shareholders or Participants by the Company may be given in any manner that the Directors consider appropriate including, but not limited to, by notice on the Company's website, by way of announcement to ASX or, at the Directors' discretion, may be given in accordance with the provisions regarding the giving of notices to Shareholders contained in the Constitution.

15 Quotation of Shares

The Company will apply to ASX for official quotation of any Shares issued under the DRP as soon as practicable, if other Shares are quoted at that time.

16 Amendment, Suspension, Recommencement and Termination of DRP

16.1 Discretion of Directors to amend, suspend, recommence or terminate DRP

- (a) The Directors may amend, suspend, recommence or terminate the DRP at any time by giving notice to Shareholders or Participants in accordance with clause 14(d) and must separately notify ASX.
- (b) Any such amendment, suspension, recommencement or termination will be effective from the date specified by the Directors in the notice.

16.2 Amendment

In the case of an amendment, a Participant will be deemed to continue his or her participation in the DRP under the DRP Rules as amended unless the Participant lodges a Termination Notice.

16.3 Termination

If the Directors terminate the DRP then, subject to these DRP Rules, any residual balance in the Participant's DRP account at that time will be directly credited to the Participant's nominated financial institution account or paid to the Participant in any other manner determined by the Directors.

16.4 Recommencement

If, following a suspension of the DRP, the Directors resolve to recommence operation of the DRP, the Directors may direct that each Shareholder who was a Participant immediately prior to suspension of the DRP be taken to continue participation in the DRP when it recommences with, subject to these DRP Rules, the same degree of participation as immediately before the suspension.

17 Equitable Claims

The Company, unless otherwise required by law, need not recognise a person as owner of additional Shares issued or transferred under the DRP other than the registered holder of the DRP Shares in respect of which the additional Shares are issued or transferred.

18 Taxation

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

19 No liability

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:

- (a) the establishment or operation of the DRP;
- (b) participation in the DRP; or
- (c) any advice given with respect to participation in the DRP by any other person.

20 Governing law and jurisdiction

- (a) The law of New South Wales governs the DRP and the operation of the DRP.
- (b) The Company and each Participant submits to the non-exclusive jurisdiction of the courts of New South Wales.