

Summary of the AUI Dividend Reinvestment Plan

Purpose

The purpose of the Plan is to give Australian United Investment Company Limited (“AUI”) shareholders the choice of applying dividends paid or declared by AUI in subscribing for fully paid ordinary shares in AUI rather than receiving those dividends directly in cash.

The Plan will commence on a date to be determined by the Directors. Shareholders will be notified of this date.

Eligibility

All holders of ordinary shares in AUI are eligible to participate in the Plan unless:

- ⊘ the Directors determine that it would be unlawful, impractical or impossible for the holder to participate;
- ⊘ such participation would cause an adverse effect on the regulatory approvals or licences which AUI holds or for which it intends to apply; or
- ⊘ the holder has a registered address in a place where a participation would require the issue of a prospectus under foreign law.

Participation

Eligible shareholders may elect to participate in the Plan in respect of all or part of their holding. The shares that an eligible shareholder designates as shares on which dividends are to be applied in subscribing for ordinary shares under the Plan are known as Plan Shares.

Subject to the terms of the Plan, an eligible shareholder may vary the number of Plan Shares or withdraw from the Plan at any time.

Shares issued under the Plan and any bonus shares issued in respect of Plan Shares will be added to the shareholder’s Plan Shares.

With written notice to participating shareholders, the Directors may at any time limit the amount of dividend which may be reinvested under the Plan.

Applications to participate

To participate in the Plan, eligible shareholders must complete the Notice of Dividend Election and return it to AUI’s share registry. A separate Notice must be lodged for each shareholding account.

Participation in the Plan will commence with the first dividend payment after receipt by AUI of the Notice of Dividend Election, provided it is received before the record date for that dividend.

The Notice of Dividend Election will also operate for all future Dividends in respect of which the Plan operates, unless superseded by a Notice of Variation or the participating shareholder's participation in the Plan has been terminated.

Variation of level of participation or withdrawal from the Plan

Participating shareholders may vary the level of participation or withdraw from the Plan at any time by completing a Notice of Variation and returning it to AUI's share registry. If the Notice of Variation is received before the record date for a dividend, the variation or withdrawal will apply for that dividend and future dividends.

Entitlement

On each dividend payment, participating shareholders will be entitled to be issued the nearest whole number of ordinary shares (rounded down) which the cash dividend on Plan Shares in the relevant shareholding account would acquire at the issue price.

If there is a cash dividend on Plan Shares left over after shares have been issued under the Plan, it will be carried forward until the next dividend is declared or paid and will be added to that dividend in determining the number of shares issued under the Plan.

Shares will not be issued under the Plan if the issue would breach any provision of any applicable law.

Issue price of Plan Shares

Shares issued under the Plan will be issued at the volume weighted average market price of ordinary shares of AUI sold on ASX on the first day on which those shares are quoted ex dividend in relation to the dividend to which the issue under the Plan relates and the following four business days on which AUI ordinary shares are traded.

Costs

The issue of shares under the Plan will not be subject to brokerage, commissions, stamp duty or other transaction costs. All administrative costs will be met by AUI.

Equal ranking of new shares

Shares issued under the Plan will rank equally in every respect with the existing issued fully paid ordinary shares of AUI and will participate in all dividends subsequently declared or paid.

Plan records

Participating shareholders will receive a statement as soon as practicable after the issue of shares under the Plan showing, for each shareholding account, full details of the amount of dividend entitlement, the issue price, the number of shares issued and any residual dividend carried forward.

Sale of shares

Participating shareholders may sell any of their shares (including Plan Shares) at any time. Plan Shares which are transferred are automatically withdrawn from the Plan on registration of a valid transfer document with AUI.

Stock Exchange listing

Application will be made for all shares issued under the Plan to be listed for quotation as fully paid ordinary shares on the Official List of Australian Stock Exchange Limited if other ordinary shares of AUI are quoted at that time.

Taxation

The following comments are an overview only of some of the possible tax consequences of participating in the Plan and only apply to shareholders who hold their shares on capital account and who are Australian residents for tax purposes.

It does not purport to be a complete analysis and does not apply to shareholders:

- (a) who hold their shares on income account; or
- (b) who may be subject to special tax rules (such as banks, insurance companies, tax exempt organisations, superannuation funds or dealers in securities).

Shareholders should seek their own tax advice, which takes into account their personal circumstances.

Taxation of dividends

Cash dividends applied to acquire shares under the Plan normally form part of a shareholder's assessable income.

Under the dividend imputation system, if the dividend is fully franked or partly franked, the shareholder may be entitled to a rebate (or refund) of tax. In this case, the shareholder will generally need to include in their assessable income the amount of any franking credits (to be able to receive the appropriate tax rebate) in addition to the cash dividend paid. Generally, the tax rebate will be equal to the amount of the franking credits included in their assessable income.

There are circumstances where a shareholder may not be entitled to the benefit of franking credits. The application of these rules depends on the shareholders' own circumstances including the period for which the shares are held and the extent to which the shareholder is "at risk" in relation to their shareholding.

If the shareholder is a company, it may be entitled to the intercorporate dividend rebate to the extent that the dividend is franked.

Imputation credits that are not used by an Australian resident individual shareholder or certain other entities to reduce their tax liability for the year

the dividend is paid (that is, “excess credits”) may be refunded to the shareholder.

Shares : capital gains tax on later sale

Shares issued under the Plan are likely to be subject to Australia’s capital gains tax regime when sold by the shareholder.

For capital gains tax purposes, the cost base of a share issued under the Plan to the shareholder will include the amount of the cash dividend applied on their behalf to acquire the share under the Plan.

The time of acquisition of the shares by the shareholder will be the time the shares are issued. This is relevant to whether the shareholder qualifies for a discount capital gain exemption for a gain made on a subsequent sale of the shares.

That is, if the shareholder is an individual (or, in some cases, a trustee) or a complying superannuation entity and realises a capital gain on the disposal, the shareholder may qualify for the discount capital gains tax exemption. A 50% exemption may apply for individuals and some trustees; a one-third exemption may apply for a complying superannuation entity. The exemption will generally only apply if the shareholder has held their shares for at least 12 months prior to the disposal for capital gains tax purposes.

Modification and termination of the Plan

The Plan may be varied, suspended or terminated by the Directors of AUI at any time by giving Participating shareholders written notice as provided in the Plan Rules.

NOTE: Shareholders should read the detailed terms of the Plan set out in the explanatory booklet accompanying this notice of meeting and not rely on this summary.

Dividend Reinvestment Plan Rules

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("AUI")

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Dividend Reinvestment Plan Rules

Contents

1	Commencement of the Plan	5
2	Invitations and applications to participate in the Plan	5
2.1	Eligible Members	5
2.2	No transfer	5
2.3	Notice of Dividend Election	5
2.4	Joint holders	5
2.5	Validity	5
2.6	Shareholding accounts	5
3	Degree of participation	5
3.1	Participation	5
3.2	Limited participation	6
3.3	Deemed application for full participation	6
4	Acceptance of applications	6
4.1	Directors' discretion	6
4.2	Rejection of Notice of Dividend Election	6
4.3	Effectiveness of Notice of Dividend Election	6
4.4	Record of Notice of Dividend Election	6
5	Reinvestment of Dividends	7
5.1	Reinvestment	7
5.2	Plan accounts	7
5.3	Issue of Shares	7
5.4	Residual positive balance	8
5.5	Statements	8
5.6	Equal ranking	9
5.7	Issue	9
5.8	Registration of Shares	9
5.9	Quotation on ASX	9
6	Variation or termination of participation	9
6.1	Notice of Variation	9
6.2	Deemed termination of participation	9
6.3	Part disposal and no notice	10
7	Limit on subscription	10
8	Modification, suspension and termination of the Plan	10
8.1	Modification	10
8.2	Suspension, recommencement or termination	10
8.3	Effective date	10
8.4	No Dividends during suspension	10
8.5	Omission or non-receipt of notice	10

9	Administration of the Plan	11
<hr/>		
10	Participants to be bound	11
<hr/>		
11	Costs to Participants	11
<hr/>		
12	Notices	11
<hr/>		
13	Governing law	11
<hr/>		
14	Interpretation	11
14.1	Definitions	11
14.2	Reference to certain general terms	12

AUI Dividend Reinvestment Plan Rules

1 Commencement of the Plan

The Plan and these Rules will commence operation on such date as the Directors in their sole discretion determine.

2 Invitations and applications to participate in the Plan

2.1 Eligible Members

AUI may from time to time invite Eligible Members to participate in the Plan.

2.2 No transfer

Participation in the Plan is optional and not transferable.

2.3 Notice of Dividend Election

An Eligible Member who wishes to participate in the Plan may only apply for participation by lodging a Notice of Dividend Election with AUI.

2.4 Joint holders

All joint holders of Shares must sign a Notice of Dividend Election for it to be valid.

2.5 Validity

A Notice of Dividend Election must be properly completed in accordance with its instructions for it to be valid.

2.6 Shareholding accounts

A Notice of Dividend Election must be lodged for each shareholding account which the Eligible Member wishes to participate in the Plan, and each shareholding account of an Eligible Member will be treated separately for all purposes under the Plan.

3 Degree of participation

3.1 Participation

An Eligible Member must specify on the Notice of Dividend Election the degree to which the shareholder wishes to participate in the Plan in respect of the nominated shareholding account. Participation may be:

- (a) full participation for all the Participant's Shares from time to time however acquired (including Shares issued under the Plan); or
- (b) partial participation for a specific number of Shares nominated by the Participant together with the Shares issued under the Plan and any bonus shares issued in respect of Plan Shares. However, if at the record date for a Dividend, the number of the Shares held by the

Participant is fewer than the nominated number, then the Plan will apply only to that lesser number for that Dividend; or

- (c) partial participation for a specific proportion of Shares held by the Participant at the relevant time.

3.2 Limited participation

The Directors may at any time with written notice to Eligible Members limit participation in the Plan by limiting the amount of Dividend which may be reinvested under the Plan.

3.3 Deemed application for full participation

A notice of Dividend Election received by AUI will be deemed to be an application for full participation in the Plan for all shareholding accounts of the Eligible Member if the notice does not indicate:

- (a) the shareholding account to which the notice applies; or
- (b) the degree of participation in the Plan.

An Eligible Member is not entitled to notice under this clause 3.3.

4 Acceptance of applications

4.1 Directors' discretion

The Directors may in their absolute discretion accept or refuse any Notice of Dividend Election, without being bound to give any reason for doing so.

4.2 Rejection of Notice of Dividend Election

If the Directors refuse to accept a Notice of Dividend Election, AUI must notify the Eligible Member as soon as practicable that the Notice of Dividend Election has been rejected.

4.3 Effectiveness of Notice of Dividend Election

Each Notice of Dividend Election accepted by the Directors will be effective in respect of:

- (a) the first Dividend payment after receipt of the Notice of Dividend Election, provided it is received before the record date for that Dividend; and
- (b) every Dividend thereafter unless superseded by a later Notice of Variation or by termination of the Participant's participation in the Plan, or the Plan has been suspended or terminated.

4.4 Record of Notice of Dividend Election

AUI will record for each shareholding account of each Participant particulars of:

- (a) the name and address of the Participant; and
- (b) the number of Plan Shares held by the Participant from time to time.

AUI's records will be conclusive evidence of the matters recorded.

5 Reinvestment of Dividends

5.1 Reinvestment

Dividends on Plan Shares will be applied by AUI on the Participant's behalf in subscribing for Shares. Any Dividends on Plan Shares which AUI is entitled to retain under its Constitution or otherwise will not be available for subscribing for Shares. If withholding tax is payable in respect of a Dividend, that tax will be deducted and only the balance will be applied in subscribing for Shares.

5.2 Plan accounts

The Directors will establish and maintain a Plan account for each shareholding account of each Participant. At the time of each Dividend payment, the Directors will:

- (a) determine the Dividend payable in respect of the Plan Shares;
- (b) determine (where applicable) the Australian withholding tax deductible by AUI in respect of the Dividend, and any other sum AUI is entitled to retain in respect of the Plan Shares;
- (c) credit the amount in (a) above and debit any amount in (b) above to the Participant's Plan account;
- (d) determine the maximum whole number of Shares which can be acquired under these Rules by using the amount in the Participant's Plan account;
- (e) subscribe for Shares in the name of the Participant and debit the subscription amount against the balance in the Participant's Plan account; and
- (f) carry forward any residual positive balance.

5.3 Issue of Shares

The number of Shares issued to each Participant will be the whole number equal to, or when not a whole number, the nearest whole number below the number calculated by the formula:

$$\frac{D - T + R}{C}$$

where:

- D is the Dividend payable on the Participant's Plan Shares as at the record date for that Dividend;
- T is any withholding tax or other sum AUI is entitled to retain in relation to the Dividend or the Plan Shares;
- R is the residual positive balance carried forward in the Participant's Plan account;
- C is an amount which is the volume weighted average price for a fully paid Share sold on ASX on the first day on which those shares are quoted ex dividend in relation to the relevant Dividend and the following four business days on which Shares are traded less such discount, if any, not exceeding 5%, as determined by the Directors from time to time.

Shares will not be issued under the Plan if the issue would breach any provision of any applicable law.

5.4 Residual positive balance

If the number of Shares issued under the Plan to any Participant is the nearest whole number below the number determined in accordance with Rule 5.3 ("Issue of Shares"), then the difference between the positive balance of the Participant's Plan account (before issue) and the total subscription price for those Shares will be recorded as a residual positive balance in the Participant's Plan account and will be carried forward to the next Dividend. No interest will accrue in respect of residual positive balances. On the termination of participation in the Plan, any residual positive balance at that time will be paid to the Participant.

5.5 Statements

As soon as practicable after each issue of Shares under the Plan, AUI will send to each Participant a statement for each shareholding account setting out:

- (a) the number of the Participant's Plan Shares on the record date for the relevant Dividend;
- (b) the Dividend payable in respect of that Participant's Plan Shares which has been applied towards subscription for additional Shares;
- (c) the amount of any withholding tax or other sum AUI has retained in relation to the Dividend or the Plan Shares;
- (d) the number, issue price and issue date of additional Shares issued to that Participant under the Plan;
- (e) the number of Shares (including Plan Shares) in respect of which that Participant is the registered holder after the issue; and

- (f) the amount of the Participant's residual positive balance, if any.

5.6 Equal ranking

All Shares issued under the Plan will rank equally in all respects with existing Shares from the date of allotment.

5.7 Issue

Shares to be issued under the Plan will be issued within the time required by ASX.

5.8 Registration of Shares

Shares issued to a Participant under the Plan will be registered:

- (a) if the Plan Shares already held by the Participant are registered on one register - on that register; or
- (b) if the Plan Shares already held by that Participant are registered on more than one register - on the register designated by that Participant or, in the absence of a designation, on the register selected by AUI.

5.9 Quotation on ASX

AUI will apply promptly after each issue of Shares under the Plan for quotation of those Shares on ASX, if other Shares of AUI are quoted at that time.

6 Variation or termination of participation

6.1 Notice of Variation

By lodging with AUI a Notice of Variation, a Participant may

- (a) increase or decrease the number of its Plan Shares; or
- (b) terminate participation in the Plan.

A Notice of Variation must be lodged for each shareholding account. To be effective for a future Dividend, the Notice of Variation must be received by AUI before the record date for that Dividend.

6.2 Deemed termination of participation

If a Participant disposes of all the Participant's Shares without giving AUI a Notice of Variation and is not registered as a holder of any Shares at the record date for payment of a Dividend, the Participant will be deemed to have terminated participation on the date when AUI last registered a transfer of the Participant's Shares.

6.3 Part disposal and no notice

When a Participant disposes of part of the holding of Shares of that Participant, and does not notify AUI otherwise, the Shares disposed of will, to the extent possible, be taken to be:

- (a) first, Shares which are not Plan Shares; and
- (b) secondly, Plan Shares.

7 Limit on subscription

The Directors may limit the amount of Dividend which may be reinvested in subscription for Shares under the Plan at any time. If the Directors do so, they must notify each Participant in writing of their decision as soon as practicable after the decision is made.

8 Modification, suspension and termination of the Plan

8.1 Modification

The Plan may be modified by the Directors at any time after giving one month's notice in writing to all Participants. A Participant's Plan Shares continue to participate in the modified Plan unless AUI is notified to the contrary by the Participant in accordance with these Rules.

8.2 Suspension, recommencement or termination

The Plan may be suspended, recommenced or terminated by the Directors at any time after giving one month's notice to all Participants.

8.3 Effective date

A suspension recommendation or termination will take effect from:

- (a) the day after one month's notice has been given to Participants; or
- (b) a later date determined by the Directors.

8.4 No Dividends during suspension

Whilst the Plan is suspended, Dividends on Plan Shares will not be applied by the Directors on the Participant's behalf in subscribing for Shares.

8.5 Omission or non-receipt of notice

The accidental omission to give notice of modification, suspension or termination to any Participant or the non-receipt of any notice by any Participant will not invalidate the modification, suspension or termination of the Plan.

9 Administration of the Plan

This Plan will be administered by the Directors who have the power to:

- (a) determine procedures for administration of the Plan consistent with the Rules;
- (b) settle in such manner as they think expedient any difficulties, anomalies or disputes which may arise in connection with, or by reason of, the operation of the Plan, whether generally or in relation to any Participant or any Shares and the determination of the Directors is to be conclusive and binding on all Participants and other persons to whom the determination relates; and
- (c) delegate to any one or more persons, for such period and on such conditions as they may determine, the exercise of any of their powers or discretions arising under the Plan.

10 Participants to be bound

Participants are at all times bound by the Rules of the Plan as modified from time to time.

11 Costs to Participants

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

12 Notices

All communications by AUI to Eligible Members or Participants under these Rules shall be given in accordance with the notice provisions of the Constitution.

13 Governing law

The terms will be governed by and construed in accordance with the laws of Victoria.

14 Interpretation

14.1 Definitions

The following words have these meanings in these Rules, unless the contrary intention appears:

ASX means Australian Stock Exchange Limited (ACN 008 624 691).

AUI means Australian United Investment Company Limited (ACN 004 268 679).

Constitution means the constitution of AUI as amended from time to time.

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

Dividend means a cash dividend or cash component of a dividend paid by AUI.

Eligible Member means a person registered as the holder of Shares other than:

- (a) a person whose participation in the Plan would, in the reasonable opinion of the Directors, be unlawful, impractical, impossible or would have an adverse effect on the regulatory approvals or licences which AUI holds or for which it intends to apply; or
- (b) a person with a registered address in any place where, in the opinion of the Directors, participation or the making of an offer or invitation to participate in the Plan would require issue of a prospectus under foreign law.

Notice of Dividend Election means the application to participate in the Plan in respect of a particular shareholding account in the form that the Directors from time to time approve.

Notice of Variation means a notice in the form that the Directors from time to time approve for a Participant to increase or decrease the number of the Participant's Plan Shares.

Participant means an Eligible Member whose application to participate in the Plan in respect of a particular shareholding account has been accepted by the Directors.

Plan means the AUI Dividend Reinvestment Plan, the terms of which are set out in these Rules.

Plan Shares means the Shares in a particular shareholding account which are designated by a Participant as Shares the dividend on which is to be applied in subscribing for Shares under the Plan.

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

14.2 Reference to certain general terms

Unless the contrary intention appears, a reference in these Rules to:

- (a) **(person)** the word "person" includes a corporation; and
- (b) **(singular includes plural)** the singular includes the plural and vice versa.

