



Melbourne IT Limited
Dividend Reinvestment Plan Rules

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Melbourne IT Limited

Dividend Reinvestment Plan Rules

General terms

1 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

The Company 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 Reinvestment Plan Application

An Eligible Member who wishes to participate in the Plan may only apply for participation by lodging a Reinvestment Plan Application form with the Company.

2.4 Joint holders

All joint holders of Shares must sign a Reinvestment Plan Application form for it to be valid.

2.5 Validity

A Reinvestment Plan Application form must be properly completed in accordance with any accompanying instructions for it to be valid.

2.6 Shareholding accounts

A Reinvestment Plan Application form 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 Reinvestment Plan Application form 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);
- (b) partial participation for a specific number and class 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

Despite clause 3.1, 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 Reinvestment Plan Application form received by the Company will be deemed to be an application for full participation in the Plan for all shareholding accounts of the Eligible Member if the Eligible Member 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 Director's discretion

The Directors may in their absolute discretion accept or refuse any Reinvestment Plan Application form, without being bound to give any reason for doing so.

4.2 Rejection of Reinvestment Plan Application

If the Directors refuse to accept a Reinvestment Plan Application form, the Company must notify the Eligible Member as soon as practicable that the Reinvestment Plan Application form has been rejected.

4.3 Effectiveness of Reinvestment Plan Application

Each Reinvestment Plan Application form accepted by the Directors will be effective in respect of:

- (a) the first Dividend payment after receipt of the Reinvestment Plan Application form, provided it is received no later than 5:00pm (AEST) on the business day after the record date for that dividend; and
- (b) every Dividend thereafter unless superseded by a later Reinvestment Plan Variation form or by termination of the Participant's participation in the Plan, or the Plan has been suspended or terminated.

4.4 Record of Reinvestment Plan Application

The Company 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.

The Company's records will be conclusive evidence of the matters so recorded.

5 Reinvestment of Dividends

5.1 Reinvestment

Dividends on Plan Shares will be applied by the Company on the Participant's behalf in subscribing for Shares. Any Dividends on Plan Shares which the Company 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 which may be reinvested under the Plan (before any deduction referred to in (b));
- (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 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 which may be reinvested under the Plan;
- T is any withholding tax or other sum the Company 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 less such discount, if any, 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, 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, on behalf of the Participant, 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, the Company will send to each Participant, for each shareholding account, a statement setting out:

- (a) the number and class 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 the Company has retained in relation to the Dividend or the Plan Shares;
- (d) the number, issue price and issue date of additional Shares allotted to that Participant under the Plan;
- (e) the number and class of Shares (including Plan Shares) in respect of which that Participant is the registered holder after the allotment; and
- (f) the amount of the Participant's residual positive balance, if any.

5.6 Equal ranking

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

5.7 Issue

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

5.8 Registration of Shares

Shares allotted 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 the Company.

5.9 Quotation on ASX

The Company will make an application promptly after each issue of Shares under the Plan for quotation of those Shares on ASX, if other Shares of the Company are quoted at that time.

6 Variation or termination of participation

6.1 Reinvestment Plan Variation

By lodging with the Company a Reinvestment Plan Variation form, a Participant may:

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

A Reinvestment Plan Variation form must be lodged for each shareholding account. To be effective for a future Dividend, the Reinvestment Plan Variation form must be received no later than 5:00pm (AEST) on the business day after the record date for that dividend.

6.2 Deemed termination of participation

If a Participant disposes of all the Participant's Shares without giving the Company a Reinvestment Plan Variation form 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 in the DRP effective from the last date when the Company 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 the Company 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 Modification, suspension and termination of the Plan

7.1 Modification

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

7.2 Suspension, recommencement or termination

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

7.3 Effective date

A suspension, recommencement or termination will be effective:

- (a) the day after one month's notice has been given to Participants; and
- (b) until such time as the Directors resolve either to recommence or terminate the Plan.

7.4 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.

7.5 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.

8 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.

9 Participants to be bound

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

10 Costs to Participants

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

11 Notices

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

12 Governing Law

These Rules will be governed by and construed in accordance with the laws of Victoria.

13 Interpretation**13.1 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).

Company means Melbourne IT Limited (ACN 073 716 793).

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

Directors means the directors of the Company 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 the Company.

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 the Company 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.

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 Melbourne IT Limited 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.

Reinvestment Plan Application form 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.

Reinvestment Plan Variation form 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.

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

13.2 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.