



SUPPLY NETWORK LIMITED

ABN 12 003 135 680

141 - 151 Fairfield Road Guildford NSW 2161

PO Box 460 Fairfield NSW 2165

Telephone: 02 9892 3888 Facsimile: 02 9892 2399

12 December 2007

The Manager
Companies Announcement Office
Australian Stock Exchange
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

Re: Special Dividend and Dividend Reinvestment Plan

Please find attached a copy of correspondence sent to shareholders with details of previously announced special dividend and information regarding the Supply Network Limited Dividend Reinvestment Plan.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Peter Gill', written in a cursive style.

Peter Gill
Company Secretary



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ABN 12 003 135 680
141 - 151 Fairfield Road Guildford NSW 2161
PO Box 460 Fairfield NSW 2165
Telephone: 02 9892 3888 Facsimile: 02 9892 2399

<date>

<shareholder>

<address>

Dear <shareholder>

Special Dividend and Dividend Reinvestment Plan

Supply Network Limited (SNL) is pleased to announce the declaration of a **special fully franked dividend of 4.0 cents per share (Special Dividend)** in conjunction with the introduction of a Dividend Reinvestment Plan (DRP). This initial Special Dividend will be paid to shareholders in February 2008 and the DRP with respect to this dividend is to be 50% underwritten by Taylor Collison Limited stockbrokers.

Subject to the availability of cash or suitable underwriting of the DRP in the future, it is intended that a Special Dividend of this amount will be paid annually for 4 years commencing February 2008. Special Dividends will be in addition to any interim and final dividends to be declared by SNL in future.

The DRP provides eligible shareholders with the opportunity to reinvest all or part of their dividend entitlements in additional SNL shares, free of any transaction costs, instead of receiving cash.

The Board of Directors of SNL has determined that shares will be issued under the DRP at a discount of 5% to the volume weighted average market price (on an ex-dividend basis) of SNL shares during the five trading days immediately preceding and inclusive of the Record Date for the relevant dividend. The DRP issue price with respect to the February 2008 Special Dividend will also be subject to a price cap of 32 cents per share.

Participation in the DRP is voluntary and eligible shareholders (shareholders with registered addresses in Australia and New Zealand only) may participate in respect of all or part of their shareholdings in SNL. If you choose not to participate in the DRP you will receive your dividends in cash.

The timetable for the Special Dividend is as follows:

Ex-dividend trading commences:	Monday 21 st January 2008
Record Date:	5pm (Sydney time) Friday 25 th January 2008
Payment Date and Issue of Shareholding Statements:	Friday 8 th February 2008

Further details regarding the DRP are included in the Information Booklet including the Rules of the DRP and an Election Form.

If you wish to participate in the DRP with respect to the Special Dividend, you must complete the Election Form attached to the Information Booklet and ensure that it is received by the Share Registry prior to the Record Date of 5pm (Sydney time) on 25 January 2008.

Trading Update

I am pleased to advise shareholders that Supply Network is on track to deliver significantly improved results in the current financial year.

Sales revenue has increased in all divisions and Group revenue is up 12% when compared with the same period last year. Based on management accounts, EBIT year-to-date at the end of October is \$766k, up from \$240k for the same period last year, and we expect earnings after tax of around 2 cents per share over the first half-year. Management has forecast a similar result in the second half and full year EBIT of around \$1.6m.

Recent Board announcements have reported on new strategies being implemented to improve results in difficult and competitive market conditions. These strategies are now delivering solid growth in key customer segments and are strengthening the foundations of Multispare and Globac. Daconti has not commenced trading and there are no plans for further investment in this company while management remains focused on more substantial opportunities elsewhere.

The Board appreciates the support of shareholders while new strategies have been developed to address flat revenue results and new market challenges. As you can see, we have made real progress on business profitability. While the year-to-date results are a significant improvement, you may be assured your Board and management will continue to drive business development and shareholder returns. I wish to thank staff and management for their efforts and acknowledge their success at implementing change and new approaches in our business. Thanks to these successes, we can look forward to an improved result in 2008.

A handwritten signature in black ink, appearing to read 'G. Lingard', with a long, sweeping underline.

Garry Lingard
Chairman



SUPPLY NETWORK LIMITED
ABN 12 003 135 680

DIVIDEND REINVESTMENT PLAN

INFORMATION BOOKLET FOR SHAREHOLDERS

IMPORTANT NOTE TO SHAREHOLDERS

Under the Corporations Act a prospectus is not required to be lodged or registered in relation to shares to be issued under the DRP described in this Information Booklet. Consequently, this Information Booklet does not contain the information which would be contained in such a prospectus, for example, in relation to Supply Network Limited, its assets and liabilities, financial position, profits and losses and prospects. If you are in any doubt as to whether to participate in the DRP and in particular if you are unclear about the taxation implications of participating in the Plan, you should consult your own financial adviser without delay.

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Explanatory Outline
Dividend Reinvestment Plan Rules
Election Form (and Variation Notice)

ENQUIRIES

If you require further information concerning the Plan please contact or write to either of the following addresses:

Computershare Investor Services Pty Limited
Level 3
60 Carrington Street
SYDNEY NSW 2000

Investor queries: 1300 850 505
Telephone: 61 3 9415 5000
Facsimile: 61 3 9473 2500

Mr Peter Gill
Company Secretary
Supply Network Limited
141-151 Fairfield Road
GUILDFORD NSW 2161

Telephone: (02) 9892 3888
Facsimile: (02) 9892 2399

**EXPLANATORY OUTLINE
of the
SUPPLY NETWORK LIMITED
("SUPPLY NETWORK")
DIVIDEND REINVESTMENT PLAN
("DRP" OR THE "PLAN")**

DECISION REQUIRED BY SHAREHOLDERS

Shareholders should decide which of the following alternatives suits their particular circumstances with respect to dividends the subject of the Plan:

ALTERNATIVE 1: RECEIVE CASH

Shareholders may receive cash for all of their dividends.

ALTERNATIVE 2: PARTICIPATE IN THE DRP

Shareholders may elect to participate in the DRP and reinvest part or all of their dividends the subject of the DRP in additional fully paid ordinary shares in Supply Network. The dividend on the balance of your shareholding (if any) will be paid in cash. The number of shares issued pursuant to the DRP and the issue price will be in accordance with the Rules of the DRP (see Features of the Plan on the following page for summary details) free of any brokerage, commission, stamp duty and other transaction costs.

ALTERNATIVE 3: ANY COMBINATION OF CASH AND DRP

Shareholders may receive cash and/or elect to participate in the DRP in any combination.

ACTION REQUIRED BY SHAREHOLDERS

The following action is required by shareholders with respect to each of the above alternatives:

ALTERNATIVE 1: RECEIVE CASH

If you wish to receive all of your dividends in cash, no action is required.

ALTERNATIVE 2: PARTICIPATE IN THE DRP

ALTERNATIVE 3: ANY COMBINATION OF CASH AND DRP

If you wish to participate in the DRP with respect to dividends the subject of the Plan for part or all of your shareholding (i.e. if you decide either Alternative 2 or 3 suits your particular circumstances), you must complete the Election Form enclosed with the Information Booklet and ensure that it is received at the Share Registry, Computershare Investor Services Pty Limited, Level 3, 60 Carrington Street, Sydney NSW 2000, prior to the Record Date for the relevant dividend.

Please note that if your shares are held under different shareholder reference numbers in the Register you will need to complete an Election Form in respect of *each* separate shareholder reference number.

FEATURES OF THE PLAN

Number of Shares Issued and Issue Price of Shares:

Under the DRP, the dividend the subject of the DRP payable in cash on shares participating in the DRP will be applied by the Company on your behalf in subscribing for fully paid ordinary shares in Supply Network. Such shares will be issued at the lower of:

- the price as determined by the Board, in its absolute discretion and announced to ASX on the day a Dividend is declared by the Board, to be the maximum price (if any) in dollars per Share at which Shares will be issued pursuant to the DRP ("**Price Cap**"); and
- the price in dollars per Share derived by applying a discount (as determined by the Board in its absolute discretion and announced to ASX on the day a Dividend is declared by the Board, presently being 5%) to the "Market Price" which is the volume weighted average market price (on an ex-dividend basis) of Supply Network shares during the five trading days immediately preceding and inclusive of the Record Date for the relevant dividend provided however that where no sales are recorded over the aforementioned period or if, in the opinion of the Board, in its absolute discretion, the market for shares in the Company is affected by any unusual or extraordinary circumstances, the "Market Price" of Supply Network shares means the fair ex-dividend market value of a Share given the relevant circumstances as determined by the Board of Directors in its absolute discretion.

Ranking of Shares: Shares issued pursuant to the Plan will rank equally in all respects with all other fully paid ordinary shares on issue.

No Costs: Shares issued pursuant to the Plan will be allotted free of any brokerage, commission, stamp duty and other transaction costs.

Share Statements: Statements will be issued as soon as practicable after the shares are issued pursuant to the Plan.

Modification of Rules: The Board may modify the Rules of the Plan from time to time and at any time as it considers appropriate.

Suspension or Termination: The Board may suspend or terminate the operation of the Plan in its absolute discretion from time to time and at any time it considers appropriate in relation to dividends in the future.

TIME PERIODS FOR ELECTION

Your Election Form must have been received by the Record Date for the relevant dividend.

Once you have elected which shares are to participate in the Plan, you cannot vary that election after the Record Date for the relevant dividend.

VARIATION OF ELECTION

Subject to the Rules of the Plan, if you wish to vary your previous election you may do so by delivery to the Share Registry of a Variation Notice by the Record Date for the relevant dividend.

ELIGIBILITY TO PARTICIPATE

Subject to any applicable law and the absolute discretion of the Board noted below, all shareholders are eligible to participate in the Plan.

However, the Board in its absolute discretion may determine that shareholders are not eligible to participate in the Plan if they have registered addresses in a country or place where the offer of a right to participate would or might be unlawful, impossible or impracticable. The Board has exercised this discretion to determine that shareholders with registered addresses outside Australia or New Zealand are not eligible to participate in the Plan.

SUMMARY OF TAX POSITION

Residents:

Under the DRP, participating resident shareholders use the relevant dividend the subject of the DRP paid on participating shares to subscribe for additional fully paid ordinary shares in Supply Network. For taxation purposes, shares received under the DRP are treated as though the shareholder had received a cash dividend and then paid it back to Supply Network to subscribe for new shares. The Company's understanding is that:

- (i) shares received under the DRP are treated as having been purchased by the reinvestment of cash dividends for the purposes of the Australian dividend imputation system. A participant in the DRP will therefore be subject to tax on the same basis as a recipient of cash dividends. Accordingly, where the Company declares "franked dividends", a participant in the DRP will be treated as receiving franked dividends to which "franking rebates" (i.e. tax credits) attach for Australian income tax purposes. "Top-up tax" may be payable at the difference between the corporate tax rate of 30% upon which the franking rebate is based and the individual marginal tax rate of the relevant shareholder;
- (ii) shares received under the DRP will, in general, be subject to Australian capital gains tax upon disposal, regardless of whether the Supply Network shares in respect of which they are issued were acquired by the participating shareholder before, on or after 20 September 1985. The cost base of the shares received under the DRP will be calculated for capital gains tax purposes on the basis they were acquired at a cost equal to the cash value of the dividend which is applied to pay for the shares. The acquisition date for capital gains tax purposes will be the date of issue of the shares under the DRP.

Non Residents:

A non-resident shareholder should not be subject to Australian tax on receipt of the relevant dividend the subject of the Plan. A non-resident is not able to make use of franking credits to reduce Australian tax on other income. In addition, a non-resident will not be subject to dividend withholding tax on the relevant dividend to the extent that the dividend is franked. If the dividend is not franked, dividend withholding tax at the rate of 30% (or, if paid to a resident of a country with which Australia has a double tax agreement, the lower rate specified in the agreement) will be withheld from the dividend and

paid to the Australian Taxation Office. The capital gains tax consequences of participation by a non-resident in the Plan would be as described above for residents, although most non-residents would not in any event be subject to Australian capital gains tax in respect of their Supply Network shares.

Independent Tax Advice:

The above comments concerning the taxation position of shareholders are necessarily general in nature and shareholders should seek and rely upon their own taxation advice in relation to the Plan.

The precise taxation position of a shareholder under the Plan will depend upon the particular circumstances of the shareholder. Specifically, this summary does not address taxation issues relevant to shareholders in special circumstances, such as share traders or persons carrying on an investment business. The sole purpose of this summary is to outline the basic features of the Plan. Shareholders should not rely upon this summary for taxation purposes, and neither the Company nor any of its officers or advisers nor the Share Registry accepts liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences themselves.

SUPPLY NETWORK LIMITED
ABN 12 003 135 680
DIVIDEND REINVESTMENT PLAN RULES

INTERPRETATION

1.1 Definitions

In these Rules, unless the context otherwise requires:

“ASX” means ASX Limited ABN 98 008 624 691;

“Board” means the directors of the Company acting collectively;

“Business Day” means a day upon which ASX is open for trading in securities;

“Company” means Supply Network Limited ABN 12 003 135 680;

“Constitution” means the constituent document of the Company;

“Dividend” means a dividend declared by the Board of the Company in respect of Shares;

“DRP” means the Supply Network Limited Dividend Reinvestment Plan adopted by the Board and regulated by these Rules;

“Distribution Amount” has the meaning set out in clause 4.3;

“Election Form” means a written application to participate in the DRP signed by a Shareholder (or each Shareholder in the case of a joint shareholding) under clause 3.1 in the form prescribed or approved by the Board from time to time, which may (without limitation) be combined with or form part of, any other form or notice (including a Variation Notice);

“Full Participation” has the meaning set out in clause 3.2 (a);

“Market Price” of a Share, in respect of the Record Date, means the price being the volume weighted average market price (on an “ex dividend” basis) of all Shares sold on ASX on the five Business Days immediately preceding and inclusive of the Record Date **PROVIDED HOWEVER** that where no sales are recorded over the aforementioned period or if, in the opinion of the Board, in its absolute discretion, the market for shares in the Company is affected by any unusual or extraordinary circumstances, the “Market Price” of a Share means the fair ex-dividend market value of a Share given the relevant circumstances as determined by the Board in its absolute discretion;

“Non-Participating Share” means a fully paid Share that is not a Participating Share;

“Partial Participation” has the meaning set out in clause 3.2 (b);

“Participant” means a Shareholder in respect of the Shareholder’s Participating Shares;

“Participating Share” means a fully paid Share in respect of which the Shareholder is participating in the DRP;

“Participation” means Full Participation or Partial Participation;

“Price Cap” means the maximum price (if any) in dollars per Share at which Shares will be issued pursuant to the DRP as determined by the Board in its absolute discretion and announced to ASX on the day a Dividend is declared by the Board;

“Record Date” means the date of which entitlements to a particular dividend are determined as notified by the Company to ASX;

“Register” means the Company’s share register maintained under sections 168 and 169 of the Corporations Act;

“Rules” means these Rules as may be amended from time to time pursuant to clause 13;

“Share” means a fully paid ordinary share in the capital of the Company and any other share in the Company that the Board may from time to time determine to be a “Share” for the purposes of these Rules;

“Shareholder” means, subject to clause 1.4, the person whose name is (or in the case of a joint shareholding, all the persons whose names are) entered in the Register as the holder of a Share;

“Share Registry” means Computershare Investor Services Pty Limited ABN 48 078 279 277 or such other share registry as the Company may from time to time determine by notice to Participants; and

“Variation Notice” means a written notice signed by a Shareholder (or each Shareholder in the case of a joint shareholding) under clause 8.1 in the form prescribed or approved by the Board from time to time, which may (without limitation) be combined with, or form part of, any other form or notice including an Election Form).

1.2 General

In these Rules, unless the context otherwise requires:

- (a) a reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any subordinate legislation issued under, that legislation or legislative provision;
- (b) the singular includes the plural and vice versa;
- (c) a reference to any gender includes all genders;
- (d) a word denoting an individual or person includes a corporation, partnership, joint venture, association, authority, trust, state or government and vice versa;
- (e) references to clauses are to clauses of these Rules;
- (f) an expression defined in these Rules has the same meaning throughout;
- (g) a reference to any document is to that document (and, where applicable, any of its provisions) as amended, supplemented or replaced from time to time; and
- (h) a reference to “dollars” or “\$” is to Australian currency.

1.3 Headings

In these Rules, headings are for convenience of reference only and do not affect interpretation.

1.4 Separate Shareholder Reference Numbers

Where a Shareholder is, in respect of a distinct number of Shares held by that Shareholder, shown in the Register with separate shareholder reference numbers, for the purpose of these Rules, the Shareholder is taken to be a separate and distinct Shareholder in relation to each such shareholder reference number and Shares that may from time to time be entered in the Register in relation to that shareholder reference number.

2. PARTICIPATION IN THE PLAN

2.1 *Optional Participation*

Participation in the DRP by a Shareholder is optional (at the choice of the Shareholder).

2.2 *Eligible Shareholders*

Except as provided in clause 2.3, each Shareholder is eligible to participate in the DRP subject to:

- (a) these Rules and the Constitution;
- (b) if the Shareholder resides, or is shown in the Register as having an address, outside Australia, any applicable law of Australia or any other country; and
- (c) any limitation on shareholding in the Company or participation in the DRP imposed by any law.

2.3 *Non Resident Shareholders*

The Board in its absolute discretion may determine that a Shareholder is not eligible to participate in the DRP if the registered address of that Shareholder is in a country or place where the offer of a right to so participate would or might be unlawful, impossible or impracticable.

3. EXTENT OF PARTICIPATION

3.1 *Election to Participate*

An election to participate in the DRP may, subject to these Rules, only be made by a Shareholder giving an Election Form to the Company.

3.2 *Extent of Participation*

A Shareholder may participate in the DRP in respect of either:

- (a) all Shares entered in the Register in the Shareholder's name ("**Full Participation**"); or
- (b) a specific number of the Shares entered in the Register in the Shareholder's name ("**Partial Participation**").

3.3 *Election to Participate*

A Shareholder must specify in an Election Form the extent to which the Shareholder wishes to participate in the DRP by specifying either:

- (a) Full Participation; or
- (b) Partial Participation.

3.4 Full Participation

In the case of Full Participation, all Shares entered in the Register in the Shareholder's name at the time of commencement of Full Participation and all Shares subsequently entered in the Register in the Shareholder's name are subject to the DRP.

3.5 Partial Participation

In the case of Partial Participation, the only Shares entered in the Register in the Shareholder's name which are subject to the DRP are the number of Shares specified by the Shareholder for participation in the DRP in accordance with clause 3.2(b).

3.6 Deemed Full Participation

An Election Form which does not specify the extent of participation in the DRP will be deemed to be for Full Participation and the Company will not be liable to a Shareholder for any loss, damage or claim in respect of that Shareholder's Participation as a result of the operation of this provision.

4. OPERATION OF DRP

4.1 Commencement of DRP

The DRP shall commence to operate on 23rd November 2007, being the date on which the Board of the Company resolved to implement the DRP.

4.2 Application of DRP

The DRP applies in respect of each Dividend of the Company unless otherwise determined by the Board from time to time.

4.3 Application of Dividend

The amount of the Dividend subject to the DRP payable to a Participant as determined by the Board (less any deductions or withholdings required by law in which case clause 6.2 applies and subject to any liens or charges the Company has over any part of a dividend) (the "**Distribution Amount**") must be applied by the Company on the Participant's behalf in subscribing for, and the Company must issue to the Participant, the number of Shares ("**S**") determined in accordance with the following formula:

$$S = N \text{ divided by the lower of } M \text{ and } C$$

Where:

- N is the amount in dollars of the Distribution Amount;
- M is the amount in dollars per Share derived by applying a percentage discount (as determined by the Board from time to time in its absolute discretion and announced to ASX on the day a Dividend is declared by the Board) to the Market Price; and
- C is the Price Cap for the relevant dividend or, if there is no Price Cap for the relevant dividend, C is equal to M.

Notwithstanding the formula in this clause, the Board in its absolute discretion may determine the maximum number of additional Shares which can be acquired with the Distribution Amount by each Participant. In that case, the balance of the Distribution Amount which has not been applied in subscribing for additional Shares will be paid to the relevant Participant in money.

4.4 Whole Number

If any number determined in accordance with the formula in clause 4.3 is not a whole number, that number is to be rounded down to the nearest whole number.

4.5 Full Payment of dividend

Where the Dividend subject to the DRP is dealt with by the Company in accordance with clause 4.3, that constitutes full and final payment by the Company of the Dividend to the relevant Shareholder.

4.6 Less than one Share

Clause 4.3 does not apply in respect of a Participant where the number determined in accordance with the formula in clause 4.3 is less than one, in which case no Shares are to be issued under the DRP to that Participant and the Participant is to be paid the Distribution Amount in money.

5. SHARES ISSUED UNDER THE DRP

Shares issued under the DRP to a Participant:

- (a) must be issued in accordance with the Constitution;
- (b) rank equally in all respects with existing Participating Shares of the same class; and
- (c) must be entered in the same part of the Register as the part in which the Participant's Participating Shares are entered at the time of the issue.

6. COSTS TO PARTICIPANTS

6.1 Transaction Costs

Except to the extent required by law (in which case clause 6.2 applies), no brokerage, commission, stamp duty or other transaction costs will be payable by a Participant in respect of any issue of Shares under the DRP.

6.2 Deduction of Costs

Where any law requires on any occasion the payment of any amount in respect of an issue of Shares to a Participant under the DRP, that amount is to be deducted from the sum which would, but for the Participation of the Participant, be available for payment to the Participant and paid by the Company as required by that law.

7. STATEMENTS TO PARTICIPANTS

After each issue made under clause 4.3, the Company must forward to each Participant a statement detailing, as at the date of that issue:

- (a) the number of the Participant's Participating Shares at the relevant Record Date;
- (b) the amount of the Distribution Amount;
- (c) the amount of any deductions made under clause 6.2 in respect of that issue; and
- (d) the number of Shares issued under the DRP by that issue.

8. VARIATION OR TERMINATION OF PARTICIPATION

8.1 Variation of Participation

Subject to clause 9, a Participant may by giving a Variation Notice to the Company prior to the Record Date:

- (a) increase or decrease the number of the Participant's Participating Shares; or
- (b) terminate the Participant's Participation in the DRP.

8.2 *Death of Participant*

If a Participant dies or becomes bankrupt, Participation by the Participant and any other Participants with whom the deceased or bankrupt was a joint Participant terminates with effect from the time the Company receives notice of the death or bankruptcy of that Participant as the case may be.

9. TRANSFER OF PARTICIPATING SHARES

9.1 *Transfer of all Shares*

Where a Participant transfers all of the Participant's Shares, the Participant is treated as having given notice to the Company to terminate Participation in the DRP on the last date when the Company registered the relevant transfer or instrument of disposal of the Participant's Shares.

9.2 *Transfer of some Shares*

Where a Participant transfers some of the Participant's Shares, the Shares so transferred are taken to comprise:

- (a) first, Shares which are Non- Participating Shares of that Participant (if any);
- (b) secondly, to the extent that the number of Shares referred to in clause 9.2 (a) is insufficient to make up the full parcel of Shares transferred, Participating Shares of that Participant.

9.3 *Different Priority*

Where a Participant transfers some of the Participant's Shares, and wishes those Shares to be comprised other than as specified in clause 9.2, the Participant may deliver a notice to the Company which specifies that particular Shares shall be the subject of a particular transfer. Such a notice shall not however be of any effect unless:

- (a) it is received by the Company prior to the registration of the transfer to which the notice relates;
- (b) it provides details sufficient to identify the transfer to which the notice relates including, but not limited to, the date on which any relevant instrument of transfer was executed and the number of Shares concerned;
- (c) it identifies the number of Shares (if any) participating in the DRP which are to be the subject of the transfer; and
- (d) it is signed by or on behalf of the Shareholder in such manner as the Company may require.

9.4 Cessation of Participation

A Participating Share shall not cease to be a Participating Share pursuant to a transfer unless or until the transfer has been registered in accordance with the Constitution and any other relevant legal requirements.

10. ELECTION AND NOTICES

10.1 Form

Election Forms, Variation Notices and notices referred to in clause 9.3 must be in writing and must be in the form prescribed or approved by the Board from time to time.

10.2 Effectiveness of Notices

Notices under these Rules (including, without limitation, Election Forms, Variation Notices and notices referred to in clause 9.3) will be effective on receipt by the Company at the Share Registry subject to:

- (a) these Rules;
- (b) in the case of Election Forms, Variation Notices or notices referred to in clause 9.3:
 - (i) approval by the Board which may be withheld in any case (in its absolute discretion);
 - (ii) the appropriate entry having been made in the Register in respect of the Participating Shares to which the Election Form, Variation Notice or notice referred to in clause 9.3 relates to record the Participation of the Participant in the DRP, or the variation of the Participation of the Participant in the DRP or the transfer (as the case requires);
 - (iii) receipt by the Company by not later than 5.00pm on the Record Date in respect of the Dividend subject to the DRP; and
 - (iv) any other restrictions as to the period of notice which the Board may from time to time impose.

10.3 Time takes effect

Where an Election Form, Variation Notice or notice referred to in clause 9.3 has been approved and the appropriate entry has been made in the Register, the Election Form, Variation Notice or notice referred to in clause 9.3 shall take effect as from the time at which the entry was made.

10.4 Approval

Approval of an Election Form, Variation Notice or notice referred to in clause 9.3 may be withheld in any case at the absolute discretion of the Board, including, without

limitation, if the Board has determined that approval of that Election Form, Variation Notice or notice referred to in clause 9.3 would prejudice the effective operation of the DRP or otherwise be contrary to law or equity.

10.5 Notice by Transferee or Transmittee

An Election Form, Variation Notice or notice under clause 9.3 given by a transferee or transmittee of Shares may be treated by the Company as an effective notice for the purposes of these Rules notwithstanding that the Shares were not registered in the name of the transferee or transmittee at the time the Election Form, Variation Notice or notice under clause 9.3 was given.

10.6 Invalid Notices

The Company is under no obligation to correct invalid Election Forms, Variation Notices or notices under clause 9.3 on behalf of Shareholders.

10.7 Notice by Company

A notice required by these Rules to be given to Shareholders may be served on Shareholders at such time as the Board thinks fit by:

- (a) dispatch of the notice in writing to each Shareholder in accordance with the Constitution; or
- (b) public announcement of the notice to ASX (in which case the date on which the notice is deemed to be served on Shareholders shall be the date on which the notice is first announced to ASX); or
- (c) both the methods specified in paragraphs (a) and (b) immediately above (in which case the date on which the notice is deemed to be served on Shareholders shall be the date on which the notice is first announced to ASX).

11. STOCK EXCHANGE LISTING

While Shares in the Company are granted official quotation by ASX, the Company must apply for official quotation by ASX of Shares issued under the DRP.

12. SUSPENSION OF PLAN

12.1 Suspension

The Board in its absolute discretion may suspend the operation of the DRP including (but not limited to) when in the opinion of the Board the continued operation of the DRP is impractical or may be prejudicial to the Company or any of its Shareholders.

12.2 Period of Suspension

Suspension of the DRP shall take effect on and from the time the Board so resolves and shall continue until a time the Board resolves that the DRP shall recommence or be terminated. The date of any recommencement or termination of the DRP must be notified to Shareholders.

12.3 Effect of Suspension

As of the date of suspension, any Shares which may have been Participating Shares immediately prior to that date shall cease to participate in the DRP and shall accordingly cease to be Participating Shares, notwithstanding the entries which may appear in the Register on that date. During the period of the suspension of the DRP, no Shares in the Company shall participate in the DRP, and no Shares shall be Participating Shares for the purposes of these Rules notwithstanding the entries which may appear in the Register from time to time.

12.4 Recommence DRP

The Board may resolve to recommence the suspended DRP at any time on such conditions as it thinks fit. The date of and conditions relating to any recommencement of the DRP must be notified to Shareholders.

13. MODIFICATION AND TERMINATION OF THE DRP

13.1 Modification or Termination of DRP

The DRP may be varied, modified or terminated by the Board in its absolute discretion (subject to the Constitution) at any time by notice to all Shareholders.

13.2 Effect of Modification

A Participant will be taken to continue to participate in the DRP as varied or modified unless the Company is notified to the contrary by the Participant giving the Company an Election Form.

14. GENERAL

14.1 Dispute Resolution

The Board may settle, in the manner it considers appropriate, any difficulties, anomalies or disputes which may arise in connection with, or by reason of the DRP (or its operation) whether generally or in relation to any Participant or any Shares and the decision of the Board is conclusive and binding on all Participants and other persons to whom the decision relates.

14.2 Entries Conclusive

Subject to clause 12, the entries which have been made in the Register in respect of a Participant at any time pursuant to these Rules shall be conclusive in determining whether or not a Share is a Participating Share and whether the holder of the Share at that time has the corresponding rights which attach under these Rules to a Participating Share.

14.3 Errors in Register

Neither the Company nor any of its officers or employees shall be liable in any way whatsoever to Shareholders for errors or omissions in the making of entries in the Register pursuant to these Rules or in the administration of the DRP.

14.4 Omission to give notice

The accidental omission to give notice of re-commencement, variation, modification, suspension or termination or the non-receipt of any notice by any Shareholder shall not invalidate the re-commencement, variation, modification, suspension or termination of the DRP.

14.5 Taxation

The Company takes no responsibility for the taxation liabilities of Participants and as individual circumstances may vary considerably, Shareholders should obtain their own specific taxation advice with respect to the DRP.

14.6 Waive Compliance

The Board reserves the right to waive strict compliance with any of the provisions of these Rules.

14.7 Governing Law

The DRP and its operations and the terms and conditions set out in these Rules shall be governed by the laws of New South Wales.

