

DIVERSIFIED UNITED INVESTMENT LIMITED

A.C.N. 006 713 177

Level 20
101 Collins Street
Melbourne VIC 3000

Telephone: (03) 9654 0499
Facsimile: (03) 9654 3499

DIVIDEND REINVESTMENT PLAN

Dear Shareholder

The company has a Dividend Reinvestment Plan which provides shareholders with the opportunity to invest in new Diversified United Investment shares.

The key features of the plan are : -

- 1) At each dividend date, dividends nominated by a shareholder to participate in the plan will be automatically invested in new Diversified United Investment Limited shares.
- 2) All shares allotted under the Plan will be issued at Market Price (or at par, whichever the greater). Market Price is calculated as a weighted average Price of all Ordinary Shares sold on the Australian Stock Exchange on the Record Date and the 3 business days immediately preceding that date or, if there are no sales during this period, the last price prior to Record Date.
- 3) Participants will pay no brokerage or other costs and the new shares rank equally with existing shares in all respects.
- 4) Your Issuer Sponsored Statement will be issued for all shares allotted under the plan.
- 5) Participants will receive a statement at each dividend date setting out the shareholder's dividend entitlement, franking credits applicable and details of the dividends reinvested in new shares.
- 6) Participants may join, vary or withdraw from The Plan at any time by lodging the Plan nomination Advice form with the share registrar (prior to the record date for any dividend)
- 7) Dividends reinvested under the Plan will continue to be assessable for income tax in the normal way. You may be entitled to a rebate against any income tax payable to the extent to which dividends are franked. The shares issued under the Plan are in general subject to Australian capital gains tax when sold. Shareholders are advised to consult their own taxation advisor regarding their own position.

To join or vary your participation in the Plan you must complete the enclosed Plan Nomination Advice Form and return it to the Company's Share Registrar at the address shown on the form in the enclosed envelope. Prior to completing the form you should read the detailed terms and conditions of the Plan set out in the attached booklet.

Yours faithfully

A.J. Hancock
Company Secretary

DIVERSIFIED UNITED INVESTMENT LIMITED

DIVIDEND REINVESTMENT PLAN

The following terms and conditions apply to the Company's Dividend Reinvestment Plan: -

1. Definitions

1.1. **"Applicant"** means a Qualifying Person who makes an Application to participate in the Plan.

"Application" means an application made by means of a Plan Nomination Advice, or in such other written form as the Directors from time to time specify, to participate in the Plan.

"Record Date" means in relation to a Dividend the time and date on which the Share Register is closed for the determination of entitlements to that Dividend.

"Cash Dividend" means a Dividend payable to a Participant in respect of Participating Shares wholly in cash and, in the case of a Dividend payable only partly in cash, that part of the Dividend which is payable in cash.

"Company" means Diversified United Investment Limited.

"Current Market Price" means the weighted average market price of all Ordinary shares sold on the Australian Stock Exchange Limited on the Record Date and the 3 business days immediately preceding that date, or if there are no sales during this period the last market price prior to Record Date.

"Directors" means the Board of Directors for the time being of the Company.

"Dividend" means a dividend declared by the Directors with respect to Ordinary shares.

"Full Participant" means a Participant who for the time being participates in the Plan in respect of all, of the Ordinary Shares registered in his or her name.

"Limited Participant" means a Participant who for the time being participates in the Plan in respect of some, but not all, of the Ordinary Shares registered in his or her name.

"Ordinary Share" means an issued and fully paid ordinary share of the Company.

"Participant" means a person who is the holder of a Participating Share

"Participating Share" means an Ordinary share which has become subject to the Plan.

"Plan" means the Dividend Reinvestment Plan the terms and conditions of which are set out below.

"Plan Nomination Advice" means a form from time to time approved by Directors under which: -

- (a) a Qualifying Person may apply to join the Plan, and
- (b) a Participant in the Plan may apply to vary the level of or withdraw from participation in the Plan in accordance with the Terms and Conditions of the Plan.

"Plan Statement" means the statement referred to in clause 4.

“Qualifying Person” means an applicant for Ordinary Shares or a Shareholder who : -

- (a) does not have a registered address in any place in which the opinion of the Directors causes participation, or the making of an offer to participate, in the Plan to be unlawful or impracticable; and
- (b) is not a person, or a person of a class, whom the Directors in their absolute discretion have determined to be ineligible to participate in the Plan.

“Residual Dividend” in respect of a participant means the Cash Dividend payable to the Participant reduced by any amount which the Company is or may be entitled for any reason whatsoever to deduct from or require to be deducted from the Cash Dividend payable to the Participant.

“Share Register” means a register of members of the Company which is to be kept at Link Market Services Limited.

“Shareholder” means a person for the time being registered as a holder of Ordinary Shares.

“Terms and Conditions of the Plan” means the terms and conditions of the Plan set out in clauses 2 to 17 as varied from time to time.

- 1.2. In the Terms and Conditions of the Plan, unless the contrary intention appears, the singular includes the plural and vice versa, and words importing the masculine gender shall include every other gender. Headings are inserted for convenience and shall not affect interpretation of the Terms and Conditions of the Plan. A reference to a person includes a reference to a body corporate.

2. Participation in the Plan

- 2.1. Subject to the Terms and Conditions of the Plan, participation in the Plan is optional and is open to all Qualifying Persons.
- 2.2. Subject to the Terms and Conditions of the Plan, the Directors will admit Qualifying Persons to the Plan following receipt by the Company of an Application.
- 2.3. An application may specify that participation in the Plan shall extend either to all or to a lesser number of the Ordinary Shares registered or to be registered in the name of the Applicant. If the Application does not specify the number of Ordinary Shares to become Participating Shares, the Application shall be deemed to be an Application for the applicant to become a Full Participant in the Plan.
- 2.4. The Directors may in their absolute discretion accept or refuse to accept in whole or in part an Application. The Directors shall not be required to give any reason or ground for a refusal.
- 2.5. If an Application is refused, the Company shall notify an Applicant of the refusal of the Application as soon as practical thereafter.

- 2.6. If an Application is accepted the Applicant will be: -
- (a) where the Application was in respect of all of the Ordinary Shares registered or to be registered in the name of the Applicant, admitted as a Full Participant in the Plan,
 - (b) where the Application was in respect of a lesser number of the Ordinary Shares registered or to be registered in the name of the Applicant, admitted as a Limited Participant in the Plan.
- 2.7. An agreement on the terms and subject to the conditions set out in these Terms and Conditions between the Company and an Applicant for participation either as a Full Participant or a Limited Participant shall be made when the Company accepts an Application in respect of the Plan from the Applicant.

3. Operation of the Plan

- 3.1. A Residual Dividend will be applied by the Company on the Participant's behalf in subscribing for additional Ordinary Shares on the terms set out in the succeeding provisions of this clause.
- 3.2. Shares to be issued under the Plan will be priced and issued at par or at a discount of 0.0% from the Current Market Price, whichever is the greater.
- 3.3. In respect of a Residual Dividend payable to a Participant the Company will: -
- (a) determine the amount of the Residual Dividend payable to the Participant;
 - (b) determine the maximum number of Ordinary Shares, priced in accordance with the provisions of clause 3.2. which could be acquired by using the amount of the Residual Dividend referred to in clause 3.3.(a) payable to the Participant, rounded up the next whole Ordinary Share;
 - (c) on behalf and in the name of the Participant, apply the total amount of the Residual Dividend payable to the Participant to acquire the number of additional Ordinary Shares calculated in accordance with clause 3.3.(b);
 - (d) allot and issue that number of additional Ordinary Shares to the Participant.

4. Plan Statement

A Plan Statement will be issued to each Participant following each Dividend payment giving the following information;

- (a) the number of his or her Participating Shares in the Plan at Record Date;
- (b) the amount per share applied to the purchase of Ordinary Shares under the Plan and the cost of each Ordinary Share purchased;
- (c) the number of Ordinary Shares allotted under the Plan and the date of issue of those Ordinary Shares;
- (d) the franked amount (if any) of the Dividend and the franking credit (if any) attaching to the Dividend;
- (e) such other information as the Directors may at any time and from time to time determine.

5. Allotments Under the Plan

5.1. In the case of Ordinary Shares to be allotted pursuant to the Plan:

- (a) such Ordinary Shares will be allotted within the time (if any) specified in the listing requirements of the Australian Stock Exchange Limited, and
- (b) Share Certificates or Fast Statements will be issued to each Participant following each allotment.

5.2. Shares allotted under the Plan:

- (a) will be registered on the Share Register where the participant already holds Ordinary Shares or, where the participant holds Ordinary Shares on more than one Share Register, on the Share Register upon which the Participant's largest share holding is held, and
- (b) subject to the Articles of Association of the Company and to these Terms and Conditions, will from issue rank equally in all respects with other Ordinary Shares.

6. Acquisition of Further Ordinary Shares by Participant

- 6.1. Any further Ordinary Shares acquired (by whatever means including Ordinary Shares issued pursuant to the Plan) by a person after the person has been admitted as a Full Participant will automatically become Participating Shares on being registered in his or her name.
- 6.2. Subject to Clause 6.3., any further Ordinary Shares acquired (by whatever means) by a person after the person has been admitted as a Limited Participant shall not become Participating Shares unless an appropriate Plan Nomination Advice is received from that Limited participant.
- 6.3. All Ordinary Shares issued to a Limited Participant pursuant to the Plan shall be deemed to become Participating Shares.

7. Sale of Ordinary Shares by Participants

On the registration of a transfer of any Ordinary Shares by a Participant then, unless the Company is otherwise advised in writing at its Share Register the Company will be deemed to have been instructed that the shares have been transferred in the following order: -

- (a) Ordinary Shares not participating in the Plan.
- (b) Ordinary Shares subject to the Plan.

8. Variation of Participation in the Plan

Subject to clause 10, a Participant in the Plan may vary the level of his or her participation (but not the terms or conditions of the participation) in the Plan at any time by completing and delivering to the Company a Plan Nomination Advice specifying the variation which he or she wishes to make.

9. Termination of Participation in the Plan

- 9.1. Subject to clause 10, a Participant may terminate his or her participation in the Plan at any time by completing and delivering to the Company a Plan Nomination Advice indicating his or her wish to terminate his or her participation in the Plan.
- 9.2. Subject to clause 10, a Participant will be deemed to have terminated his or her participation in the Plan: -
- (a) on receipt by the Company of a Plan Nomination Advice in accordance with clause 9.1;
 - (b) on the registration of a transfer of all his or her Ordinary Shares subject to the Plan;
 - (c) on the termination of the Plan by the Directors in accordance with clause 11;
 - (d) on receipt by the Company in accordance with clause 12 of notice of death, bankruptcy or liquidation of a Participant; or
 - (e) on the Participant ceasing to be a Qualifying Person

In this clause 9.2., reference to a Participant includes reference to joint participants, or one or more of such joint participant where the context so admits.

- 9.3. Participation by any joint Participants in the Plan will be terminated (other than in respect of any Dividend for which Record Date has already occurred) following receipt by the Company in accordance with clause 12 of a notice of death of one or more of the joint Participants.
- 9.4. An Ordinary Share which has ceased to be a Participating Share is not thereby prohibited from subsequently becoming subject to the Plan.

10. Record Date

A Plan Nomination Advice received by the Company to participate in the Plan pursuant to clause 2 or to vary the level of participation in accordance with clause 8 or to terminate participation in the Plan or a deemed termination under clause 9, shall not be effective in respect of any Dividend for which Record Date occurs prior to receipt of that Plan Nomination Advice or such deemed termination.

11. Variation, Termination or Suspension of the Plan

- 11.1. The Directors may at their discretion at any time resolve to: -
- (a) vary the Plan and any agreement in relation to the Plan,
 - (b) suspend the operation of the Plan, or
 - (c) terminate the Plan

- 11.2. Any variation, termination or suspension made in accordance with clause 11.1:
- (a) shall be effective from the date of such resolution or otherwise from the date determined by the Directors;
 - (b) shall not give rise to any liability on the part of or right of action against the Company.
- 11.3. The Company will give written notification to Participants of any variation, termination or suspension of the Plan.
- 11.4. The accidental omission to give notice of variation, suspension or termination to any Participant or the non-receipt of any notice by any Participant will not invalidate the variation, suspension or termination of the Plan.

12. Plan Nomination Advices and Notices

- 12.1 Plan Nomination Advices and other notices to the Company shall be in writing and in such form as the Company may from time to time require.
- 12.2 Nomination Advices and notices will only be effective on receipt by the Company at its Share Register, subject to:
- (a) the Terms and Conditions of the Plan, and
 - (b) in the case of an Application, acceptance by the Company
- 12.3 The provisions of Articles 114 to 116 inclusive of the Company's Articles of Association will apply to the service of notices on Participants under the Plan.

13. Costs to Participants

Unless otherwise required by law the Company will not charge Participants any brokerage, commission, stamp duty, or other transaction costs in respect of an application for or the issue of shares under the Plan.

14. Taxation

- 14.1 The Company shall not be liable for any taxes or other imposts assessed against or imposed upon a Participant.
- 14.2 Each Participant will indemnify and hold the Company harmless in respect of any taxes imposed on the Company as a result directly or indirectly of that Participant's participation in the Plan.

15. Administration of the Plan

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

- (a) determine appropriate procedures for administration and implementation of the Plan consistent with the Terms and Conditions of the Plan and to settle any difficulty which may arise generally or in a particular case in regard to the Plan as the Directors think expedient and their determination shall bind all Participants and other persons to whom the determination relates;
- (b) resolve conclusively all questions of fact or interpretation in connection with the Plan.

16. Stock Exchange Listing

Application will be made by the Company following the issue of Ordinary Shares under the Plan to list those Ordinary Shares on the Australian Stock Exchange Limited and on each other stock exchanges where Ordinary Shares of the Company for the time being are listed.

17. General

The Company shall not be liable or responsible to any Participant for any loss or alleged loss or disadvantage suffered or incurred by the Participant as a result, directly or indirectly, of the establishment or operation of the Plan or his or her participation in the Plan or in relation to any advice given with respect to participation in the Plan.

18. Governing Law and Jurisdiction

These Terms and Conditions are governed by and shall be construed in accordance with the laws of the State of Victoria and each Participant submits to the exclusive jurisdiction of the courts of Victoria.

