

GWA GROUP LIMITED
ABN 15 055 964 380



DIVIDEND REINVESTMENT PLAN

August 2020

SUMMARY OF THE GWA GROUP LIMITED DIVIDEND REINVESTMENT PLAN RULES (DIVIDEND PLAN)

BACKGROUND

The Directors of GWA Group Limited have established the GWA Group Limited Dividend Plan to enable eligible shareholders to receive some or all their future dividends as Ordinary Shares in the Company. This summary may help you to better understand the Dividend Plan. You should read this summary and the Dividend Plan rules carefully and obtain your own independent advice before determining whether you should participate in the Dividend Plan.

PURPOSE

The purpose of the Dividend Plan is to provide eligible shareholders with the choice of applying Dividends paid or declared by the Company in receiving Ordinary Shares in the Company rather than receiving those Dividends in cash.

ELIGIBILITY

Participation in the Dividend Plan is offered to all ordinary shareholders who are residents of Australia and New Zealand (Eligible Member). Participation is not currently offered to a shareholder who is a resident of a place outside Australia and New Zealand, or a shareholder acting on behalf of such a person, or where in the opinion of the Directors participation in the Dividend Plan by the shareholder would or might be unlawful, impractical, impossible, or have an adverse effect of the regulatory approvals or licences which the Company holds or for which it intends to apply.

Shareholders resident in a country outside Australia and New Zealand may, in the future, be able to participate in the Dividend Plan if legal advice, satisfactory to the Company, is provided to the Company by a shareholder, at the shareholder's expense, that it is lawful for the Company to make the offer to participate in the Dividend Plan to all resident shareholders of that country without complying with conditions or assuming potential liability which the Company considers unduly onerous.

PARTICIPATION

Eligible Members may elect to participate in the Dividend Plan in respect of all of their holding (full participation) or a specified number of Shares (partial participation) as follows:

Full participation

For full participation, all the Ordinary Shares registered in a shareholder's name as at each record date for a Dividend will participate in the Dividend Plan. For example, Shares issued or transferred under the Dividend Plan and any bonus Shares issued by the Company from time to time will be added to the shareholder's total shareholding participating in the Dividend Plan.

Partial participation

For partial participation, participation of a shareholder is in respect of the specified number of Shares registered in the shareholder's name at each record date for a Dividend. Unless advised otherwise, Shares issued or transferred under the Dividend Plan and any bonus Shares issued by the Company from time to time will not be added to Shares participating in the Dividend Plan, but instead will form part of the Shares not participating in the Dividend Plan.

APPLICATIONS TO PARTICIPATE

To participate in the Dividend Plan, Eligible Members must complete a Notice of Dividend Election and return it to the share registry of the Company. A separate notice must be lodged for each shareholding account. Participation in the Dividend Plan will commence with the first Dividend payment after receipt by the Company of the Notice of Dividend Election, provided it is received before the record date for that Dividend.

Alternatively, shareholders can also register for the Dividend Plan and update other details of their shareholding on the share registry's website (www.computershare.com.au).

VARIATION OF LEVEL OF PARTICIPATION OR WITHDRAWAL

Participating shareholders may vary the level of participation or withdraw from the Dividend Plan at any time by completing a Notice of Variation and returning it to the share registry or by making the necessary amendments online on the share registry's website (www.computershare.com.au).

ENTITLEMENT

Subject to the discretion of the Directors, participating shareholders will be entitled on each Dividend payment to be allotted or transferred the nearest whole number of Ordinary Shares, which the cash Dividend on Dividend Plan Shares in the shareholding account would purchase at the acquisition price.

ACQUISITION PRICE

Shares allotted or transferred under the Dividend Plan will be at a discount (if any, as determined by the Directors from time to time) from:

(a) the arithmetic average of the daily volume weighted average market price of Ordinary Shares of the Company sold on the Australian Securities Exchange (rounded to the nearest cent) during the 10 trading days (or any other number of trading days determined by the Directors from time to time) commencing on the second trading day following the record date (or other commencement date determined by the Directors from time to time) in relation to the Dividend to which the allotment or transfer under the Dividend Plan relates (but excluding all off-market trades including but not limited to special crossings, crossings prior to the commencement of normal trading or during the closing phase and after hours adjust phase, portfolio special crossings, equity combinations, crossings during overnight trading, overseas trades, trades pursuant to the exercise of options over Shares and any other trades that the Directors determine should be excluded on the basis that the trades are not fairly reflective of supply and demand); or

(b) such other price or formula as the Directors may determine and announce to the Australian Securities Exchange at any time prior to the payment date of the relevant Dividend.

The minimum price for Shares will be One Dollar (\$1.00). If the acquisition price would be less than One Dollar (\$1.00), then a cash Dividend will be paid and the Dividend Plan will not apply to that Dividend.

COSTS

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

RANKING

Shares issued or transferred under the Dividend Plan will rank equally in every respect with the existing issued fully paid Ordinary Shares of the Company and unless determined by the Directors will participate in all Dividends subsequently declared or paid.

RECORDS

Shareholders participating in the Dividend Plan will receive a statement at the time of each Dividend payment showing, for each shareholding account, full details of the amount of Dividend entitlement, the acquisition price and the number of Shares issued or transferred.

SALE OF SHARES

Shareholders participating in the Dividend Plan may sell any of their Shares, including Shares participating in the Dividend Plan or issued or purchased at any time. Shares participating in the Dividend Plan which are transferred are automatically withdrawn from the Dividend Plan.

If a Shareholder does not notify the share registry of the Company otherwise, any Shares disposed of will, to the extent possible, be taken to be:

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

If a shareholder disposes of all their Shares without giving a Notice of Variation to the share registry of the Company and is not a registered holder of any Shares at the record date for the next Dividend, the shareholder will be deemed to have terminated participation on the date when the Company last registered a transfer of the shareholder's Shares.

LISTING

Application will be made for all Shares allotted under the Dividend Plan to be listed for quotation as fully paid Ordinary Shares on the Official List of the Australian Securities Exchange if other Ordinary Shares of the Company are quoted at that time.

TAXATION

For income tax purposes, Dividends reinvested are treated by the Australian Taxation Office in the same manner as Dividends received in cash. Any imputation credit attaching to the cash Dividend is also available to shareholders participating in the Dividend Plan with respect to income tax payable or withholding tax deductible in Australia. Shares received by shareholders under the Dividend Plan will, in general, be subject to capital gains tax in Australia on disposal. The cost base of the Shares received under the Dividend Plan will be calculated for capital gains tax purposes on the basis that the Shares are acquired at a cost equal to the cash value of the Dividend which is applied in acquiring the Shares.

All participating shareholders are advised to make their own enquiries regarding any tax liability in respect of their shareholding.

The Company takes no responsibility for any taxation liabilities of shareholders. Specific tax advice should be obtained by the Participant if so desired.

MODIFICATION AND TERMINATION OF THE DIVIDEND PLAN

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

UNDERWRITING

The Company may arrange for the Dividend Plan to be underwritten in respect of a particular Dividend on any terms the Directors may determine are appropriate.

IMPORTANT NOTE

The above is only a summary of the rules of the Dividend Plan and should not be relied on in substitution for reading the rules of the Dividend Plan.

ENQUIRIES

If you have any enquiries about how the Dividend Plan operates and how to participate or you require further details, please contact the Company's share registry - Computershare Investor Services Pty Ltd.

Mail

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne VIC 3001
Australia

Online

www.computershare.com.au/easyupdate/gwa

Phone

1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia)

RULES OF THE GWA GROUP LIMITED DIVIDEND REINVESTMENT PLAN (DIVIDEND PLAN)

1 INTERPRETATION

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

"**ASX**" means Australian Securities Exchange.

"**Company**" means GWA Group Limited ABN 15 055 964 380.

"**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.

"**Dividend Plan**" means the GWA Group Limited Dividend Reinvestment Plan, the terms of which are set out in these Rules.

"**Dividend 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 acquiring Ordinary Shares under the Dividend Plan.

"**Eligible Member**" means an ordinary shareholder resident in Australia or New Zealand.

"**Notice of Dividend Election**" means the application to participate in the Dividend 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 Dividend Plan Shares.

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

"**Participant**" means an Eligible Member whose application to participate in the Dividend Plan in respect of a particular shareholding account has been accepted by the Directors and who has not ceased to participate in the Dividend Plan under Rule 7.

"**Share Registry**" means Computershare Investor Services Pty Limited ABN 48 078 279 277.

"**Shares**" means Ordinary Shares.

A reference to a person includes a corporation and the singular includes the plural and vice versa.

2 APPLICATIONS TO PARTICIPATE IN THE DIVIDEND PLAN

- 2.1 No person other than an Eligible Member may apply to participate in the Dividend Plan.
- 2.2 The Directors may determine that an Eligible Member is not entitled to participate in the Dividend Plan to the extent that the Eligible Member holds Shares on its own account as, or on behalf of, a resident of a place outside of Australia and New Zealand, or where, in the opinion of the Directors, the Eligible Member's participation in the Dividend Plan would or might be unlawful, impractical, impossible, or have an adverse effect of the regulatory approvals or licences which the Company holds or for which it intends to apply.
- 2.3 Participation in the Dividend Plan is optional and not transferable.
- 2.4 Eligible Members who wish to participate in the Dividend Plan must lodge a Notice of Dividend Election with the share registry of the Company or register and update other details of their shareholding on the share registry's website (www.computershare.com.au).
- 2.5 All joint holders of Shares must sign a Notice of Dividend Election for it to be valid. Alternatively, joint holders can also register for the Dividend Plan and update other details of their shareholding on the share registry's website (www.computershare.com.au). If one or more joint holders of Shares are not entitled to participate in the Dividend Plan, none of the joint holders may participate in the Dividend Plan in respect of those Shares.
- 2.6 A Notice of Dividend Election must be lodged for each shareholding account and each shareholding account of an Eligible Member will be treated separately for all purposes under the Dividend Plan.
- 2.7 By lodging a Notice of Dividend Election each Eligible Member warrants that they are an Eligible Member and not acting on behalf of a person who is a resident of a place outside Australia and New Zealand, and agree to be bound by these Rules and the Company's Constitution in respect of all Shares issued or transferred to the Eligible Member under these Rules.
- 2.8 It is the responsibility of each Eligible Member to obtain any necessary governmental, regulatory or other approvals and consents necessary to enable that Eligible Member to participate in the Dividend Plan.

3 DEGREE OF PARTICIPATION

- 3.1 An Eligible Member must specify in the Notice of Dividend Election the degree to which the shareholder wishes to participate in the Dividend 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 Ordinary Shares allotted or transferred under the Dividend Plan and any bonus Shares as issued by the Company from time to time); or
 - (b) partial participation for a specific number of Shares nominated by the Participant. 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 Dividend Plan will apply only to that lesser number. Dividends that are part of a shareholding (if any) that does not participate in the Dividend Plan will be paid in cash. Unless the Participant advises us otherwise, Shares issued or transferred under the Dividend Plan and any bonus Shares issued by the Company from time to time will not be added to the number of Shares participating in the Dividend Plan, but will be added to your Shares not participating in the Dividend Plan.

- 3.2 Notices of Dividend Election received by the share registry of the Company which do not indicate the shareholding account to which the notice applies or the degree of participation in the Dividend Plan will, without further notice to the applicant, be deemed to be an application for full participation in the Dividend Plan for all shareholding accounts of the applicant.

4 ACCEPTANCE OF APPLICATIONS

- 4.1 The Directors may in their absolute discretion accept or refuse any Notice of Dividend Election or correct any error in or omission from any Notice of Dividend Election on behalf of an Eligible Member, without being bound to give any reason for doing so.
- 4.2 Each Notice of Dividend Election accepted by the Directors will be effective in respect of the first Dividend payment after receipt of the Notice of Dividend Election, provided it is received before the record date for that Dividend.
- 4.3 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 Dividend Plan Shares held by the Participant from time to time,

and the Company's records will be conclusive evidence of the matters so recorded. Unless otherwise required by law, the Company need not recognise any person other than the registered holder of the Dividend Plan Shares as the owner of the additional Shares issued under the Dividend Plan.

5 REINVESTMENT OF DIVIDENDS

- 5.1 Dividends on Dividend Plan Shares will be applied by the Directors on the Participant's behalf in subscribing for or purchasing Ordinary Shares. Any Dividends on Dividend Plan Shares which the Company is entitled to retain under its Constitution or otherwise will not be available for subscribing for or purchasing Ordinary 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 or purchasing Ordinary Shares.
- 5.2 The Directors may determine whether Ordinary Shares are to be issued or purchased (on ASX or otherwise), or a combination of both, for the purpose of the Company satisfying its obligations under the Dividend Plan. If the Company purchases Shares on behalf of a Participant, each party is not liable to pay or reimburse the other for any difference between the purchase price and the amount equal to "C" in Rule 5.4.
- 5.3 At the time of each Dividend payment, the Directors of the Company will:
- (a) determine the Dividend payable in respect of the Dividend Plan Shares;
 - (b) determine (where applicable) the 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 Dividend Plan Shares;
 - (c) credit the amount in Rule 5.3(a) above and debit any amount in (b) to the Participant's shareholding account with the share registry; and
 - (d) determine and subscribe for or purchase the maximum whole number of Ordinary Shares which can be acquired under these Rules by using the amount credited in Rule 5.3(a) above less any amount debited under Rule 5.3(b) above.

- 5.4 Subject to the discretion of the Directors, the number of Ordinary Shares issued or transferred to each Participant will be the number calculated by the formula below. If the number is not a whole number, it will be rounded to the nearest whole number:

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

where:

- D is the Dividend payable on the Participant's Dividend Plan Shares as at the record date for that Dividend.
- T is any withholding tax or other sum the Company is entitled to retain in relation to the Dividend or the Dividend Plan Shares.
- C is an amount at a discount (if any, as determined by the Directors from time to time) from:
- (a) the arithmetic average of the daily volume weighted average market price of Ordinary Shares in the Company sold on the ASX (rounded to the nearest cent) during the 10 trading days (or any other number of trading days determined by the Directors from time to time) commencing on the second trading day following the record date (or other commencement date determined by the Directors from time to time) in relation to the Dividend to which the allotment or transfer under the Dividend Plan relates (but excluding all off-market trades including but not limited to special crossings, crossings prior to the commencement of normal trading or during the closing phase and after hours adjust phase, portfolio special crossings, equity combinations, crossings during overnight trading, overseas trades, trades pursuant to the exercise of options over Shares and any other trades that the Directors determine should be excluded on the basis that the trades are not fairly reflective of supply and demand); or
 - (b) such other price or formula as the Directors may determine and announce to the ASX at any time prior to the payment date of the relevant Dividend.

If C is less than One Dollar (\$1.00), then the Dividend Plan will not apply and the Dividend payable on the Participant's Dividend Plan Shares will be paid in cash.

- 5.5 As soon as practicable after each allotment or transfer of Ordinary Shares under the Dividend Plan, the Company's share registry will send to each Participant, for each shareholding account, a statement setting out:
- (a) the number of the Participant's Dividend 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 or transfer of additional Ordinary Shares;
 - (c) any withholding tax deducted by the Company in respect of the Dividend, and any other sum retained by the Company in respect of the Dividend Plan Shares;
 - (d) the number of additional Ordinary Shares allotted or transferred to that Participant under the Dividend Plan and the percentage discount (if any) applicable for the purposes of "C" in Rule 5.4; and
 - (e) the number of Shares (including Dividend Plan Shares) in respect of which that Participant is the registered holder after the allotment or transfer.

6 RANKING AND QUOTATION

- 6.1 All Ordinary Shares allotted or transferred under the Dividend Plan will from the date of allotment or transfer rank equally in all respects with existing Ordinary Shares, unless the Directors determine they are not to participate in either or both of the next Dividend or any offer of Shares open when the Shares are issued or transferred under the Dividend Plan.
- 6.2 Ordinary Shares to be allotted under the Dividend Plan will be allotted within the time required by the ASX.
- 6.3 The Company will make application promptly after each allotment of Ordinary Shares under the Dividend Plan for quotation of those Ordinary Shares on the ASX, if other Ordinary Shares of the Company are quoted at that time.

7 VARIATION OR TERMINATION OF PARTICIPATION

- 7.1 A Participant who wishes to increase or decrease the number of its Dividend Plan Shares or terminate participation in the Dividend Plan must lodge a Notice of Variation with the share registry of the Company or by making the necessary amendments online on the share registry's website (www.computershare.com.au). A Notice of Variation must be lodged for each shareholding account. The Directors may in their absolute discretion accept or refuse any Notice of Variation without being bound to give any reason for doing so. To be effective for a forthcoming Dividend, the Notice of Variation must be received by the share registry of the Company before the record date for that Dividend.
- 7.2 If a Participant disposes of all the Participant's Shares without giving a Notice of Variation and is not registered as a holder of any Shares at the next record date for payment of a Dividend, the Participant will be deemed to have terminated participation on the last date when the Company registered a transfer of the Participant's Shares.
- 7.3 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 Dividend Plan Shares; and
 - (b) secondly, Dividend Plan Shares.
- 7.4 If an individual Participant dies, becomes bankrupt or wound up, participation by that Participant will be terminated upon receipt of a notice of death, bankruptcy or winding up. Death, bankruptcy or winding up of one of two or more joint holders will not automatically terminate participation in the Dividend Plan provided the remaining holder (or all remaining joint holders) are Eligible Members.

8 LIMIT ON SUBSCRIPTION

- 8.1 The Directors may at any time by notice in writing to Participants limit the amount of Dividend which may be reinvested in subscription for or transfer of Ordinary Shares under the Dividend Plan.
- 8.2 Shares will not be issued under the Dividend Plan if the issue of those Shares would be in breach of any applicable law, be undesirable or be impractical.

9 MODIFICATION, SUSPENSION AND TERMINATION OF THE DIVIDEND PLAN

- 9.1 The Dividend Plan may be modified by the Directors at any time after giving one month's notice in writing to all Participants. 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.

- 9.2 The Dividend Plan may be suspended or terminated by the Directors at any time, after giving such notice (if any) as the Directors may determine is appropriate. Notice of suspension or termination must be given to all Participants in accordance with the Company's Constitution.
- 9.3 If the Dividend Plan is suspended under Rule 9.2, as of the date of suspension subject to this Rule 9.3, any Shares which may have been Dividend Plan Shares immediately prior to that date shall cease to participate in the Dividend Plan and shall as such cease to be Dividend Plan Shares, notwithstanding the entries which may appear on the share register on that date. During the period of suspension of the Dividend Plan, no Shares in the Company shall participate in the Dividend Plan.
- 9.4 If the Dividend Plan is terminated under Rule 9.2, the Participant authorises the Company to pay the credit balance (if any) of the Participant's shareholding account to a charity nominated by the Directors or to otherwise deal with those funds in accordance with laws applying to unclaimed moneys.
- 9.5 The Directors may determine to recommence operation of the Dividend Plan following a suspension or termination on any conditions they may determine is appropriate. Upon the recommencement of the Dividend Plan following a suspension, the Directors may determine that any Notice of Dividend Election or Notice of Variation previously given by a Participant shall be reinstated and be valid and effective.
- 9.6 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 Dividend Plan.
- 9.7 The Company must give written notification to the ASX of any variation, termination, suspension or reactivation of the Dividend Plan.
- 9.8 Any modification, suspension or termination made in accordance with this Rule 9:
 - (a) is effective from the date of the resolution passed by the Directors or a later date as determined by the Directors; and
 - (b) does not give rise to any liability on the part of the Company or right of action by a Participant against the Company or the Directors or its officers, employees, representatives or agents.

10 ADMINISTRATION OF THE DIVIDEND PLAN

- 10.1 This Dividend Plan will be administered by the Directors who have the power to:
 - (a) determine procedures for administration of the Dividend Plan consistent with the Rules including but not limited to the receipt of notices from any Participant;
 - (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 Dividend 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
 - (b) 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 Dividend Plan.

11 PARTICIPANTS TO BE BOUND

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

12 COST TO PARTICIPANTS

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

13 UNDERWRITING

The Company may arrange for the Dividend Plan to be underwritten in respect of a particular Dividend on any terms the Directors, in their absolute discretion, may determine are appropriate.

14 NON-PARTICIPATION

Despite anything contained in these Rules, neither the Company nor the Directors have any obligation to issue Shares to a Participant, or procure the acquisition of Shares or transfer Shares to a Participant in respect of a Dividend, if:

- (a) to do so would or might in the opinion of the Directors result in a breach of the Constitution or the law of any place; or
- (b) the Company is or would be entitled to a charge or lien over any of the Participant's Shares or over any Dividend payable in respect of those Shares.

15 NOTICES

A notice required by these Rules to be given to Eligible Members may be given by:

- (a) giving the notice to ASX for release to the market, in which case the notice is taken to be given on the date on which it is first given to ASX;
- (b) sending the notice in accordance with the Company's Constitution, in which case the notice is taken to be given on the date determined in accordance with the Constitution; or
- (c) both methods specified in Rules 15(a) and 15(b), in which case the notice is taken to be given on the date on which it is first given to ASX.

16 DISCLAIMER

Each participant acknowledges that by applying to participate in the Dividend Plan or varying or terminating his or her participation in the Dividend Plan, that neither the Company nor the share registry has given or is required to give any investment, financial product, taxation or other advice concerning the Participant's decision to participate in the Dividend Plan. Neither the Company nor any officer, employee, agent or adviser of the Company is liable or responsible to any Participant for any loss or alleged loss or disadvantage suffered or incurred as a result, directly or indirectly, of the establishment or operation of the Dividend Plan, participation in the Dividend Plan or any advice given with respect to participation in the Dividend Plan.

17 GOVERNING LAW

The Dividend Plan, its operation and these Rules shall be governed by the laws of the State of Queensland and each Participant submits to the jurisdiction of the Courts of that State and the Courts which may hear appeals from those Courts.

Despite anything else in these Rules, the ASX Listing Rules and the Corporations Act 2001 (Cth) prevail to the extent of any inconsistency with these Rules.