

# Dividend Reinvestment Plan (DRP)

Rules Booklet

February 2021



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## 1. Definitions and interpretation

### 1.1 Definitions

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

**AEST** means Australian Eastern Standard Time.

**Allocation** means the issue of Shares to a Participant under the Plan or the transfer of Shares acquired for the purposes of the Plan to a Participant, as the case may be. "Allocate" and "Allocated" have a corresponding meaning.

**ASX** means ASX Limited (ABN 98 008 624 691) or Australian Securities Exchange as appropriate.

**Board** means the board of Directors of the Company.

**Company** means Iress Limited (ABN 47 060 313 359).

**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.

**DRP Election 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.

**Eligible Shareholder** means a person registered as the holder of at least any minimum number of Shares determined by the Directors under Rule 4.1 or Shares other than:

- (a) a person with a registered address in any place where, in the reasonable opinion of the Directors, participation or the making of an offer or invitation to participate in the Plan is unlawful or would require compliance with conditions which the Directors in their sole discretion regard as unacceptable or unduly onerous; or
- (b) a person whose participation in the Plan would otherwise, 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.

**Listing Rules** means the Listing Rules of ASX and any other applicable rules of ASX modified to the extent of any express written waiver by ASX.

**Normal Trade** means all trades excluding special trades such as special crossings, overseas trades, option exercise trades and any other trade determined by the Board in its discretion to not be reflective of normal trading in Shares.

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

**Offer Price** means, in respect of any Shares Allocated under the Plan, the arithmetic average of the daily volume weighted average market price (rounded to the nearest cent) of all Shares sold through a Normal Trade on the ASX automated trading system during a period of not more than 10 trading days, as determined by the Board, commencing two trading days after the record date, or any other date as determined by the Board, in respect of the relevant Dividend, less any discount determined by the Directors under Rule 6.4.

The weighted average market price will be calculated by the Board or a person nominated by the Board, by reference to any information the Board approves for the purpose. A determination by the Board of the price binds all Participants.

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

**Plan** means the Iress 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 to acquire Shares under the Plan.

**Rules** means the rules of the Plan as varied from time to time.

**Share Registry** means Computershare Investor Services Pty Limited (ABN 48 078 279 277) or any other share registry that maintains the Share register of the Company.

**Shares** means fully paid ordinary shares in the Company, and any other shares in the Company that the Directors decide are eligible for participation in the Plan.

## **1.2 Interpretation**

Headings are for convenience only and do not affect interpretation.

Unless the contrary intention appears, in these Rules:

- (a) the word “person” includes a body corporate, a partnership and joint venture;
- (b) the singular includes the plural and vice versa;
- (c) a reference to a document or these Rules includes any variation or replacement of it;
- (d) a reference to a particular person includes a reference to the person’s legal personal representatives, executors, administrators and successors;
- (e) a reference to legislation includes regulations and other instruments made under it and any variation or replacement of any of them;
- (f) a reference to the exercise of a power or discretion includes a decision not to exercise the power or discretion; and
- (g) the meaning of general words is not limited by specific examples introduced by “including”, “for example” or “such as” or similar expressions.

## **2. Commencement of Plan**

The Directors may determine the date on which the Plan and these Rules will commence operation.

## **3. Eligibility and participation in the Plan**

### **3.1 Eligible Shareholders**

The Company may from time to time invite Eligible Shareholders to participate in the Plan.

### **3.2 No transfer**

Participation in the Plan is optional and is not transferable.

### **3.3 DRP Election Form**

Subject to Rule 3.5, to apply to participate in the Plan, Eligible Shareholders must complete, sign and lodge a DRP Election Form with the Share Registry.

### **3.4 Joint holders**

Subject to Rule 3.5, all joint holders of Shares must sign a single DRP Election Form for it to be valid. If one or more of the joint holders of the Shares is not an Eligible Shareholder, none of the joint holders can apply to participate in the Plan with respect to the Shares jointly held.

### **3.5 Electronic facility**

The Directors may determine that Eligible Shareholders can lodge DRP Election Forms electronically, either through the Company’s website or that of an authorised third party. Any electronic facility will be referred to on the Company’s website and announced to the ASX. Any DRP Election Forms lodged electronically must comply with the terms and conditions of the facility.

### **3.6 Multiple shareholding accounts**

An Eligible Shareholder must lodge a separate DRP Election Form for each holding of Shares in relation to which they wish to participate in the Plan.

## **4. Degree of participation**

### **4.1 Participation**

An Eligible Shareholder who wishes to participate in the Plan must elect on the DRP Election Form the degree to which the shareholder wishes to participate in the Plan. Subject to any minimum and/or maximum number of Shares that may be or become Plan Shares determined by the Directors from time to time in respect of an Eligible Shareholder, participation in the Plan may be either:

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

### **4.2 Limited participation**

Despite Rule 4.1, the Directors may at any time by written notice to Eligible Shareholders limit participation in the Plan by limiting the amount of Dividend which may be reinvested under the Plan.

### **4.3 Application taken to be for full participation**

A DRP Election Form received by the Company is taken to be an application for full participation in the Plan for all shareholding accounts of the Eligible Shareholder if the Eligible Shareholder does not clearly indicate:

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

An Eligible Shareholder is not entitled to notice under this Rule 4.3.

## **5. Acceptance of applications**

### **5.1 Directors' discretion**

The Directors may in their absolute discretion accept or refuse any DRP Election Form, without having to give any reason for their decision.

### **5.2 Rejection of DRP Election Form**

If the Directors refuse to accept a DRP Election Form, the Company must notify the Eligible Shareholder as soon as is practicable that the DRP Election Form has been rejected.

### **5.3 Effectiveness of DRP Election Form**

Subject to Rule 5.1, an Eligible Shareholder's participation in the Plan commences from the first Dividend payment after the Company receives the DRP Election Form, provided it is received before 5.00pm (AEST) on the first business day following the record date for that Dividend (or such other time as is prescribed by the ASX), and continues until:

- (a) superseded by a later Notice of Variation;
- (b) the Participant terminates their participation in the Plan; or
- (c) the Plan is suspended or terminated.

### **5.4 Record of DRP Participation**

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 recorded.

## 5.5 Significance of applying

By applying to participate in the Plan in accordance with Rule 3, an applicant:

- (a) represents to the Directors that it is an Eligible Shareholder;
- (b) authorises the Directors (and their officers or agents) to correct any error in, or omission from, the applicant's DRP Election Form or any later Notice of Variation;
- (c) acknowledges that the Company may at any time irrevocably determine that the applicant's DRP Election Form is valid, in accordance with these Rules, even if the DRP Election Form is incomplete, contains errors or is otherwise defective;
- (d) acknowledges that the Directors may reject any DRP Election Form;
- (e) acknowledges any discount applicable under Rule 6.4, may be different from one Dividend to the next; and
- (f) acknowledges that none of the Directors, the Company or the Share Registry has provided the applicant with investment advice or financial product advice and that none of the above has any obligation to provide any advice concerning the applicant's decision to apply to participate in the Plan.

## 6. Reinvestment of Dividends

### 6.1 Reinvestment

The Directors may determine whether to Allocate Shares by issuing new Shares to a Participant or by transferring Shares to a Participant, or a combination of both, to satisfy the obligations of the Company under these Rules. Any Dividends on Plan Shares which the Company is entitled to retain under its Constitution or otherwise will not be available for acquiring Shares.

Any portion of a Participant's Dividends on Plan Shares:

- (a) which is deductible by the Company as withholding tax; or
- (b) which the Company is entitled or required to withhold or deduct for any reason from the Dividend payable to that Participant,

will not be applied to acquire Plan Shares.

### 6.2 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 paragraph (b) below);
- (b) determine any amount to be withheld or deducted under Rule 6.1, and any other sum the Company is entitled to retain in respect of the Plan Shares;
- (c) credit the amount in paragraph (a) above and debit any amount in paragraph (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) on behalf of and in the name of the Participant, subscribe for or cause the transfer of the number of Shares determined under paragraph (d) above and debit the aggregate Offer Price for those Shares against the balance in the Participant's Plan account; and
- (f) carry forward any residual positive balance.

### 6.3 Entitlement formula

The number of Shares Allocated to each Participant will be the whole number equal to, or when not a whole number, the nearest whole number calculated in accordance with the formula below and Rule 6.5:

$$D - T + R$$

O

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 deduct or retain in relation to the Dividend or the Plan Shares;
- R is the residual positive balance carried forward in the Participant's Plan account;
- O is the Offer Price.

Shares will not be Allocated under the Plan if the Allocation would breach the Listing Rules or any applicable law.

#### **6.4 No discount unless otherwise determined**

No discount will apply for the purposes of calculating the Offer Price unless the Directors determine otherwise. If the Directors resolve to apply a discount for the purposes of calculating the Offer Price, the discount must not exceed a percentage amount determined by the Directors from time to time.

Any discount determined by the Directors in respect of the Plan for a particular Dividend may differ from any discount determined by the Directors in respect of the Plan for any other Dividend.

The discount allocated for a particular Dividend:

- (a) may be nil; and
- (b) may be varied by announcement on the Company's website and to ASX at any time, but any variation will not apply to Dividends already announced.

#### **6.5 Residual positive balance**

This Rule applies if the number of Shares Allocated under the Plan to any Participant is the nearest whole number below the number determined in accordance with Rule 6.3. If so, the difference between the positive balance of the Participant's Plan account (before Allocation) and the total subscription price for those Shares will be recorded as a residual positive balance in the Participant's Plan account. The residual positive balance will be carried forward, on behalf of the Participant, to the next Dividend. No interest will accrue in respect of a residual positive balance. When participation in the Plan terminates, any residual positive balance will be paid to the Participant.

#### ***Rounding down***

In calculating the number of Plan Shares to be Allocated to a Participant, fractions will be rounded down to the nearest whole number of Shares calculated under the Rules. The Participant will be taken to have applied all of the relevant Dividend declared on the Plan Shares in applying for that number of Plan Shares and is not entitled to any fractional entitlements or to receive payment of any residual cash balance in respect of amounts rounded down.

#### **6.6 Statements**

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

- (a) the number of the Participant's Plan Shares on the record date for the relevant Dividend;
- (b) the Dividend payable in respect of that Participant's Plan Shares which has been applied towards acquiring additional Shares;
- (c) if applicable, the amount of any withholding tax or other amount under Rule 6.2(b) which has been withheld or deducted from the Dividend payment on the Participant's Plan Shares;
- (d) the number and Offer Price of additional Shares and the date they were acquired by that Participant under the Plan;
- (e) the total number of Shares (including Plan Shares) in respect of which that Participant is the registered holder; and
- (f) the amount of any residual positive balance for that Participant.

## **6.7 Equal ranking**

All Shares Allocated under the Plan will rank equally in all respects with existing Shares.

## **6.8 Allocation of Shares and despatch of statements**

Shares to be Allocated under the Plan will be Allocated within the time required by the ASX. Shareholder statements for the Shares will be dispatched as soon as practicable after the Allocation if required by the Constitution.

## **6.9 Quotation on ASX**

The Company must apply to the ASX for official quotation of any Shares issued under the Plan, if other Shares of the Company are quoted at that time.

## **6.10 Underwriting**

The Directors may choose to partially or fully underwrite the Plan in respect of any Dividend with one or more underwriters.

# **7. Variation or termination of participation**

## **7.1 Notice of Variation**

By lodging with the Company a Notice of Variation, a Participant may:

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

A Notice of Variation must be lodged for each shareholding account. To be effective for a future Dividend, the Notice of Variation must be received by the Share Registry before 5.00pm (AEST) on the first business day following the record date for that Dividend (or such other time as is prescribed by the ASX).

## **7.2 Participation taken to be terminated**

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

## **7.3 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, to the extent possible, will be taken to be:

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

## **7.4 Termination on death or bankruptcy**

If a participant dies, their participation in the Plan terminates when the Directors receive written notice of the death. If a Participant is declared bankrupt or is wound-up, their participation in the Plan terminates when the Directors receive a notification of bankruptcy or winding up from the Participant or the Participant's trustee in bankruptcy or liquidator, as the case may be. The death, bankruptcy or winding up of one or more joint holders does not automatically terminate participation, provided the remaining holder or all remaining joint holders are Eligible Shareholders.

# **8. Modification, suspension and termination of the Plan**

## **8.1 Directors may act**

The Plan may be:

- (a) modified (including by variation of the Rules);
- (b) suspended;
- (c) recommenced; or
- (d) terminated,

by the Directors at any time.

## **8.2 Modification**

If the Plan or Rules are modified, a Participant continues to participate under the Plan unless the Participant terminates its participation in the Plan by submitting a Notice of Variation in accordance with Rule 7.1 or is taken to have terminated its participation under Rule 7.2 or Rule 7.4.

## **8.3 Suspension**

If the Plan is suspended, Participants' elections as to participation in the Plan cease to be effective and all Shares are taken not to be Plan Shares for the purpose of any Dividend declared while the Plan is suspended.

## **8.4 No Dividends during suspension**

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

## **8.5 Recommencement**

If the Plan is recommenced following a suspension for:

- (a) less than two consecutive Dividend payment dates, the Participant's previously suspended DRP Election Form will be reinstated and be valid and effective in accordance with these Rules for the purposes of the recommenced Plan, unless determined otherwise by the Directors and notified to Participants in accordance with Rule 8.6; or
- (b) two or more consecutive Dividend payment dates, each Participant who wishes to participate in the recommenced Plan must complete and submit a new DRP Election Form, in accordance with Rule 3.3.

## **8.6 Notice**

The Company will give notice of any:

- (a) termination of the Plan to Participants at least one month before the effective date of the termination;
- (b) variation of the Plan or Rules (other than simply an exercise of a discretion, authority or power under these Rules) to Eligible Shareholders at least one month before the effective date of the variation; and
- (c) suspension or recommencement of the Plan to Participants as soon as reasonably practicable before or after the effective date of the suspension or recommencement.

Notice may be provided in any manner (including, but not limited to, by public announcement, advertisements in any newspapers circulating generally in Australia, notice on the Company's website, announcement to ASX or mailed written notices) which the Directors consider appropriate to bring the termination, variation, suspension or recommencement to the notice of the Participants or Eligible Shareholders, as the case may be, having regard to the nature of the event for which notice is being given.

## **8.7 No liability**

Any variation, suspension, recommencement or termination of the Plan will not give rise to any liability on the part of, or right of action against, the Company nor its Directors, officers, employees, representatives or agents.

## **8.8 Omission or non-receipt of notice**

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.

## **9. Administration of the Plan**

The Directors will administer the Plan in accordance with the Listing Rules and the Constitution. The Directors have the power to:

- (a) determine procedures for administration of the Plan consistent with the Rules;
- (b) settle in any manner as they think expedient any difficulties, anomalies or disputes which may arise in connection with the operation of the Plan, whether generally or in relation to any Participant or any Shares. Any



determination of the Directors is conclusive and binding on all Participants and other persons to whom the determination relates; and

- (c) delegate to any person for any period of time and on any conditions as they determine, the exercise of any of their powers or discretions under the Plan.

## **10. Participants to be bound**

Participants are at all times bound by the Rules of the Plan.

## **11. Costs to Participants**

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

## **12. Governing law**

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

## **13. Additional information**

A copy of the Company's most recent annual report and financial statements is available to every Eligible Shareholder free of charge from the Company's website or on request by contacting the Share Registry.