



McPherson's Limited

ACN 004 068 419

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Australia

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ASX Release

ASX: MCP

27th May 2014

Amendments to Dividend Reinvestment Plan Terms and Conditions

In accordance with ASX Listing Rule 3.10.8, McPherson's Limited (ASX: MCP) advises that its Board of Directors has resolved to make minor consequential amendments to its Dividend Reinvestment Plan Terms and Conditions to ensure that those Terms and Conditions are consistent with the actual operation of the Dividend Reinvestment Plan and following the recent changes to the ASX Listing Rules timetable for dividends and distributions.

Attached are the amended Dividend Reinvestment Plan Terms and Conditions – one version in mark up showing the amendments made, and one clean version which incorporates the amendments. These amendments take effect immediately.

P. R. Bennett
Company Secretary

McPHERSON'S LIMITED

DIVIDEND REINVESTMENT PLAN

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**McPherson's Limited
105 Vanessa Street
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THIS DOCUMENT IS IMPORTANT
AND SHOULD BE RETAINED

If you do not understand it please consult your financial adviser immediately.

~~[August-MayMarch 20142]~~

INTRODUCTION

Cash or Shares?

The McPherson's Dividend Reinvestment Plan ("DRP") offers you, as a shareholder, a choice in the way in which you receive a return on your investment in McPherson's Limited ("McPherson's" or "Company") to suit your own individual financial requirements.

In relation to cash dividends paid by McPherson's ("Dividends") you will need to decide whether you would prefer payment in cash, an increase in your shareholding in the Company or whether you would like a combination of both.

Participation in the DRP has in the past proven to be a most cost effective method for shareholders to increase their investment in the Company.

Your choices as a Shareholder

As a shareholder in McPherson's you have the following options as to how you will receive Dividends.

1. As cash dividends, franked to the extent declared by the Board; or
2. Only as shares in McPherson's issued under the DRP; or
3. A combination of each of the above.

Eligibility

Any shareholder ~~who holds 100 or more McPherson's shares and~~ who is not a resident of the United Kingdom, Canada or the United States of America, is, subject to the Board's discretion, eligible to participate in the Plan.

Shareholders residing in certain other overseas countries may also be unable to participate, depending on the laws of those countries.

What action is required by Shareholders?

Action is required if you wish to:

- (a) participate in the DRP; or
- (b) vary your current level of participation in the DRP.

You must complete a DRP ~~election notification~~ form and forward it to McPherson's Share Registry at the postal address specified on the back of the notice. Forms are available by contacting the Share Registry. If you do not return the notice, you will receive your Dividend in cash only. Once you have commenced participation in the DRP, ~~election notification~~ forms may also be used to vary the level of DRP participation. Alternatively, DRP participation can be initiated or varied on-line by visiting www.investorcentre.com.

In order to participate in the DRP for the next Dividend, your election for participation must reach the Company's share registry by no later than the Trading Day immediately following before the Record Date for that Dividend.

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The DRP

Details of the DRP are set out in the Terms and Conditions in this booklet.

The basic features of the plan are as follows.

- The DRP is an ongoing plan and applies to each and every Dividend unless McPherson's otherwise determines.
- Under the DRP all or part of your Dividend is reinvested in additional shares.
- At each date on which a Dividend is paid, the Dividend entitlement on participating shares is automatically reinvested in new shares which rank equally in all respects with existing shares.
- [Shares issued under the DRP will be added to those already participating in the DRP and unless the Shareholder advises the Share Registry otherwise, dividends paid in respect of these shares will automatically be reinvested under the DRP.](#)
- For taxation purposes it is treated as though you received the cash dividend and then paid it back to McPherson's in order to acquire these shares.
- New shares are issued under the DRP at any discount determined by the Board on an average market price (as determined in accordance with the Terms and Conditions) and are allotted free of brokerage, commission and stamp duty costs.
- A statement is sent to you after each Dividend payment date with details of your shareholding, the Dividend paid and the number of new shares issued to you.

The result is that you will receive shares in McPherson's instead of cash dividends to the extent of your participation. Additional shares are allotted at or about the same time as cash dividends are paid.

Taxation

The following outline of the taxation treatment of the DRP is for general information only. The taxation position of each shareholder may vary considerably according to that shareholder's particular circumstances. McPherson's cannot provide taxation advice for individual shareholders and nor can McPherson's accept responsibility for any reliance by shareholders on the following information. **You will need to obtain your own financial and taxation advice in relation to participation under the Plan.**

The table below provides general guidelines of the taxation implications of the Plan under current Australian law and practice for Australian shareholders:

THE DRP	
Income Tax	Shares received under the DRP are treated as dividends for taxation purposes on the same basis as cash dividends.
Dividend Imputation	Where McPherson's declares franked Dividends, shares issued to shareholders under the DRP will be treated as dividends which are franked to the same extent as cash. Franking credits will attach to those shares for Australian income tax purposes.
Tax File Number	Where shareholders have failed to provide McPherson's with their Tax File Number, they will have resident withholding tax deducted at the top marginal rate to the extent that the Dividends are not franked.
Dividend Withholding Tax	Dividends applied to pay up shares received under the DRP by shareholders outside Australia are subject to dividend non-resident withholding tax to the extent that the Dividends are not franked.
Capital Gains Tax	Shares received under the DRP will be subject to Australian capital gains tax upon their disposal, irrespective of the date of acquisition of the shares in respect of which they were issued. For the purposes of capital gains tax the acquisition date of the DRP shares will be the date they are issued, that is, the Dividend date. The cost base of the new shares will be the amount of the Dividend (less deductions, if any, due to dividend withholding tax or failure to provide a Tax File Number or both).

General Information

- If shares participating in the Plan are sold, they will cease to participate in ~~the~~ Plan when the share transfer is registered. Should you sell any shares shortly before the record date for a Dividend you should inform your broker that the shares were participating in the Plan. You should immediately notify the Share Registry in writing should you wish to withdraw from the Plan [or vary your participation level](#).
- There are no brokerage or other transaction costs payable on shares issued under the Plan. Under the present law, no stamp or other duties are payable. Costs of administering the Plan will be met by McPherson's.
- Application will be made for ASX listing of the shares issued under the Plan.
- Set out on the following pages are the rules of the DRP as they have been established by the Board of McPherson's.
- All inquiries concerning the operation of the Plan should be directed to McPherson's Share Registry:

Computershare Investor Services Pty Limited
GPO Box 2975 [EE](#)
Melbourne Vic 3001

Tel: 1300 850 505

Fax: (03) 9611 5710 www.investorcentre.com/contact

**IF YOU ARE STILL UNSURE AS TO WHAT YOU SHOULD DO,
PLEASE CONSULT YOUR OWN FINANCIAL ADVISER.**

McPHERSON'S DIVIDEND REINVESTMENT PLAN - TERMS AND CONDITIONS

1. Interpretation

When used herein, unless the context otherwise requires:

- (a) **"Board"** means the board of directors of McPherson's.
 - (b) **"Discount"** means the percentage discount (if any) of between 0 and 5 per cent determined by the Board from time to time to be applied for the purposes of clause 5.
 - (c) **"Dividend"** means any cash dividend payable by McPherson's.
 - (d) **"McPherson's"** means McPherson's Limited ABN 98 004 068 419, a company incorporated in the State of Victoria and having its registered office at 105 Vanessa Street, Kingsgrove, New South Wales.
 - (e) **"Non-Participating Shares"** means Shares which are not subject to the Plan and on which the Dividend is paid in the normal way.
 - (f) **"Normal Trade"** means all trades excluding special, unusual or abnormal 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.
 - (g) **"Participant"** means a Shareholder who elects to participate in the Plan.
 - (h) **"Participating Shares"** means Shares which are subject to the Terms and Conditions of the Plan, the Dividend from which is invested in new Shares.
 - (i) **"Plan"** means the McPherson's Dividend Reinvestment Plan.
 - (j) **"Pricing Period"** means the period that the Board determines from time to time, being a period of not less than 5 Trading Days commencing on the third Trading Day after the Record Date or such other period commencing before or after the Record Date that is determined by the Board from time to time to be applied for the purposes of clause 5.
 - (k) **"Record Date"** is the date and time, as determined by the Board, at which a person holds or is taken to hold Shares for the purposes of determining Dividend entitlements.
 - (l) **"Share Register"** means the register of members of McPherson's.
 - (m) **"Share Registry"** means the postal address advised from time to time of the register of members of McPherson's.
 - (n) **"Shares"** means fully paid ordinary shares in the capital of McPherson's.
 - (o) **"Terms and Conditions"** means the terms and conditions of the Plan as may be amended from time to time.
 - (p) **"Trading Day"** means a full day (other than a day on which the ASX is closed for the full day or part of the day, or on which trading on the ASX is suspended) on which Shares are quoted, and not suspended from quotation or made subject to a trading halt on the ASX.
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2. **Participation**
- (a) Participation in the Plan is subject to the Terms and Conditions.
 - (b) Participation in the Plan is optional and not transferable.
 - (c) Subject to certain restrictions on overseas Shareholders as indicated below, and to the provisions of sub-clauses (iii) and (iv) hereof, all holders of Shares are eligible to participate in the Plan.
 - (i) A Shareholder who is subject to the laws of the country other than Australia may not be eligible to participate in the Plan because of legal requirements that apply to that Shareholder either in that country or in Australia. Allotment of Shares to Shareholders who are residents of overseas countries at the time of allotment will be subject to all necessary governmental approvals. The obtaining of such approvals will be the responsibility of the overseas resident Shareholder.
 - (ii) Shareholders who either:
 - (aa) are nationals or residents of the United Kingdom, Canada or the United States of America, their territories and possessions;
 - (ab) have a registered address in one of those countries;
 - (ac) are "US Persons" (as defined in Regulation S of the Securities Act of 1933 (as amended));
 - (ad) hold Shares on behalf of, or act for the account or benefit of, persons described in paragraphs (aa), (ab) or (ac) above,
 are not at present eligible to participate in the Plan.
 - (iii) The Board may in its absolute discretion refuse participation in the Plan to a Shareholder in respect of all or a number of his/her Shares and to suspend or withdraw those Shares from participation for any reason, including the restrictions described in sub-clauses (i) and (ii) above, under which either the law of Australia or that of another country or some other matter or thing, in the opinion of the Board, makes his/her participation in the Plan illegal, impossible or impracticable.
 - ~~(iv) The Board has a discretion to refuse participation in the Plan to a Shareholder who elects to participate in respect of a number of Shares which is less than 100.~~
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3. **Application to Participate (Entry to the Plan)**
- (a) Application to participate in the Plan will only be effective if initiated on-line by visiting www.investorcentre.com or by completing~~given on~~ the application form provided by McPherson's and if signed by the relevant Shareholder or the Shareholder's attorney. An application by joint holders of Shares must be signed by all of those joint holders or their respective attorneys.
 - (b) To be effective with respect to a particular Dividend payment, an application must be received by McPherson's at its Share Registry by no later than the Trading Day immediately following the~~before the~~ Record Date for that Dividend.
 - (c) Signed applications which do not specify the level of participation, or purport to specify both full participation and partial participation, will be deemed to be for full participation and McPherson's shall not be liable to the Shareholder for any loss, damage or claim in respect of that Shareholder's participation as a result of the operation of this provision.
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4. Level of Participation

- (a) A Shareholder who is eligible for participation in the Plan and who wishes to do so, must specify on the DRP election notification form the degree which he/she wishes to participate in the Plan by:
- (i) crossing the box marked "all" for full participation; or
 - (ii) for partial participation, crossing the box marked "part" and specifying the number of Shares held by him/her from time to time with respect to which he/she wishes to participate in the Plan.
- (aa) **Full Participation**
- (A) A Shareholder may participate in the Plan in respect of all Shares registered in his/her name at the relevant Record Date.
 - (B) When full participation is applied or deemed to have been applied for, all Shares registered in the Participant's name, including Shares allotted to the Participant pursuant to this Plan and Shares purchased or otherwise acquired by the Participant after the date of acceptance of his/her application, will be subject to the Plan.
- (ab) **Partial Participation**
- (A) A Shareholder may nominate a specific number of Shares, being less than his/her total Shareholding, to be subject to the Plan.
 - (B) When partial participation is applied for, only the number of Shares specified by the Participant will be subject to the Plan. Where, through the sale or transfer of Shares, the number of Shares held by a Participant at the relevant Record Date is less than the number of Shares nominated for participation in the Plan, the Participant shall be deemed to be a full Participant until the number of Shares held (including Shares allotted under the Plan) again exceeds the number of Shares so nominated.
- (b) McPherson's takes no responsibility for transfers that are not entered on, or removed from, the Share Register prior to the relevant Record Date.
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5. Operation of the Plan

- (a) Each Dividend which is payable to a Participant in respect of Participating Shares and is available for payment to the Participant will be applied by McPherson's on the Participant's behalf in subscribing for Shares.
- (b) McPherson's will establish and maintain a Plan account for each Participant.
- (c) In respect of each Dividend payable to a Participant, McPherson's will:
- (i) determine the amount of the Dividend to be payable in respect of the Participating Shares;
 - (ii) determine the amount of Australian non-resident withholding tax or, where a Participant has failed to provide McPherson's with their Tax File Number, the amount of resident withholding tax which is payable in respect of that Dividend;
 - (iii) credit the amount referred to in paragraph (i) to the Participant's Plan account and (where applicable) debit the resident or non-resident withholding tax referred to in paragraph (ii) from that account;
 - (iv) allot in consideration for the deemed receipt from the Participant of the Cash Amount of the Participant's Plan account the number of Shares calculated in accordance with the following formula (provided that, if that number is not a whole number, it shall be rounded up to the next above whole number):

$$\frac{N \times D}{P}$$

where:

"N" is the number of Participating Shares registered in the name of the Participant at the Record Date for the relevant Dividend payment;

Operation of the Plan (cont'd)	<p>"D" is the amount in cents per Share of the Dividend which is payable.</p> <p>"P" is the arithmetic average of the volume weighted average sale price of all Shares sold through a Normal Trade on the ASX during the Pricing Period LESS any Discount, (adjusted in such manner as the Board considers appropriate to preserve equity between Participants and non-participants in the Plan for the Dividend, any bonus issue, rights issue or other distribution in which the Shares allotted pursuant to the Plan will not participate or any other relevant fact, matter or thing) expressed in cents and calculated to the nearest cent.</p> <p>(d) The subscription price per Share allotted pursuant to these terms and paid by the Participant from his or her Plan account shall be equal to:</p> $\frac{N \times D}{S}$ <p>where:</p> <p>"S" is the number of Shares allotted in accordance with clause 5(c); and</p> <p>"N" and "D" have the meanings attributed to each of them respectively in clause 5(c).</p>
6. McPherson's Shares Allotted under the Plan	<p>(a) Shares allotted under the Plan will:</p> <p>(i) rank equally in all respects with existing Shares and will participate in all dividends subsequently declared in respect of those Shares; and</p> <p>(ii) be registered on the Share Register where the Participant already holds Shares; and</p> <p>(iii) automatically be added to those already participating in the DRP, and unless the Shareholder advises the Share Registry otherwise, dividends paid in respect of those shares will be automatically reinvested under the DRP.</p> <p>(b) A Statement showing the total number of Shares allotted under the Plan in respect of each dividend on Participating Shares will be issued to the Participant. The Statement will be forwarded to Participants as soon as practicable after allotment.</p> <p>(c) Promptly after each allotment, McPherson's will apply for Shares allotted under the Plan to be listed on the official list of ASX Limited.</p>
7. Costs to Participants	<p>No brokerage, commission, stamp duty or other transaction costs will be payable by Participants in respect of Shares allotted under the Plan.</p>

8. Statement of Participants	After each dividend payment date, McPherson's will send to each Participant a Statement setting out relevant information on the current standing of the Participant's Plan account.
9. Variation to or termination of Participation	<p>(a) Subject to Clause 11 and without limiting the operation of Clause 4(a)(ii)(aa)(B), a Participant may at any time give notice in writing to the Share Registry of McPherson's to:</p> <ul style="list-style-type: none"> (i) increase or decrease the number of Participant's Participating Shares; or (ii) terminate the Participant's participation in the Plan <p>However, as provided in Clause 11, to be effective in respect of a particular dividend payment, a notice must be received by McPherson's at its Share Registry <u>by no later than the Trading Day immediately following</u> before the Record Date for that dividend payment.</p> <p>(b) If a Participant dies, his/her participation in the Plan will be terminated upon receipt by McPherson's at its Share Registry of a notice of death from the Participant's legal personal representative.</p> <p>(c) If a Participant is declared bankrupt or is being wound up, the Participant's participation in the Plan will terminate upon receipt by McPherson's at its Share Registry of a notice of bankruptcy or winding up from the Participant or the Participant's trustee in bankruptcy or liquidator (as the case may be).</p> <p>(d) In the case of joint Participants, where one Participant dies or becomes bankrupt or is being wound up, the participation of the other Participant(s) in the Plan will terminate at the same time as that of the Participant that is deceased, bankrupt or that is being wound up.</p>
10. Reduction or termination where no notice is given	<p>(a) Where a Participant disposes of part of his/her holding of Participating Shares and does not notify McPherson's otherwise, the Shares being disposed of will <u>to the extent possible: (i) firstly, reduce the number of any Non-Participating Shares which the Participant holds (if any); and (ii) secondly, reduce the number of any Participating Shares which the Participant holds (if any)</u> cease to be Participating Shares from the date of registration of the transfer.</p> <p>(b) Where a Participant disposes of all his/her holding of Participating Shares without giving notice of termination of participation in the Plan, those Shares will cease to be Participating Shares from the date of registration of the transfer.</p>
11. Application and notice	<p>(a) Applications and notices must be in writing and in the form McPherson's may from time to time prescribe, <u>including via the on-line facility at www.investorcentre.com</u>.</p> <p>(b) Such applications and notices will be effective on receipt by McPherson's, subject to:</p> <ul style="list-style-type: none"> (i) these Terms and Conditions; (ii) in the case of applications, acceptance by McPherson's; and (iii) receipt by McPherson's at its Share Registry <u>by no later than the Trading Day immediately following the Record Date</u> before the Record Date for determination of entitlements to payment of a dividend. Applications and notices, including notices of death, or bankruptcy received after such closing will not be effective for that dividend, but will (subject to these Terms and Conditions) be effective for dividends declared and paid thereafter. <p>(c) Improperly completed Notices will be invalid and ineffective and will be returned.</p>

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12. **Modification and termination of the Plan**
- (a) The Plan may be modified, extended, suspended, terminated or reinstated by the Board by announcement to the ASX and, in particular, without in any way limiting the generality of the foregoing, may be extended:
 - (i) to the holders of loan securities and to holders of other classes of Shares in McPherson's;
 - (ii) to provide Shareholders with a right to acquire additional Shares for cash under these Terms and Conditions.
 - (b) The modification, suspension, termination or reinstatement takes effect on the date and in the manner specified by the Board and the variation, suspension, termination or reinstatement does not give rise to any liability on the part of, or right or action against, the Board or McPherson's or its officers, employees or agents.
 - (c) In the case of modification, existing Participants will continue under the modified Plan unless McPherson's is notified to the contrary on the prescribed [DRP election notification](#) form.
 - (d) Should the Plan be terminated, McPherson's will send to Participants the statements and amounts to be sent, in terms of Clause 9, to Participants upon termination of their participation.
 - (e) The accidental omission to give notice of modification, suspension, termination or reinstatement to, or the non-receipt of any notice by, any Shareholder or Participant will not invalidate the modification, suspension, termination or reinstatement of the Plan.
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13. **Taxation**
- McPherson's takes no responsibility for the taxation liabilities of Participants. As individual circumstances and laws vary considerably from time to time any specific taxation advice should be obtained by a Participant at the Participant's expense.
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14. **Administration of the Plan**
- This Plan will be administered by the Board, who has the power to:
- (a) determine appropriate procedures for administration of the Plan consistent with the provisions of these Terms and Conditions.
 - (b) resolve conclusively all questions of fact or interpretation in connection with the Plan;
 - (c) delegate to any one or more persons, for such period and upon such conditions as they may determine, the exercise of any of their powers or discretions arising under the Plan;
 - (d) amend or add to these Terms and Conditions by announcement to the ASX; and
 - (e) waive strict compliance with any of the provisions of these Terms and Conditions.
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15. **General**
- (a) The Plan will not apply in any case where in accordance with the Constitution of McPherson's, or otherwise by law, the Board is entitled to retain all or part of a dividend payment in respect of Shares which a Participant has nominated as participating in the Plan and over which Shares and/or dividend McPherson's holds, or is entitled to hold, a charge or lien.
 - (b) The Plan and its operation and these Terms and Conditions shall be governed by the laws of the State of Victoria.
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McPHERSON'S LIMITED

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[May 2014]

INTRODUCTION

<p>Cash or Shares?</p>	<p>The McPherson's Dividend Reinvestment Plan ("DRP") offers you, as a shareholder, a choice in the way in which you receive a return on your investment in McPherson's Limited ("McPherson's" or "Company") to suit your own individual financial requirements.</p> <p>In relation to cash dividends paid by McPherson's ("Dividends") you will need to decide whether you would prefer payment in cash, an increase in your shareholding in the Company or whether you would like a combination of both.</p> <p>Participation in the DRP has in the past proven to be a most cost effective method for shareholders to increase their investment in the Company.</p>
<p>Your choices as a Shareholder</p>	<p>As a shareholder in McPherson's you have the following options as to how you will receive Dividends.</p> <ol style="list-style-type: none"> 1. As cash dividends, franked to the extent declared by the Board; or 2. Only as shares in McPherson's issued under the DRP; or 3. A combination of each of the above.
<p>Eligibility</p>	<p>Any shareholder who is not a resident of the United Kingdom, Canada or the United States of America, is, subject to the Board's discretion, eligible to participate in the Plan. Shareholders residing in certain other overseas countries may also be unable to participate, depending on the laws of those countries.</p>
<p>What action is required by Shareholders?</p>	<p>Action is required if you wish to:</p> <ol style="list-style-type: none"> (a) participate in the DRP; or (b) vary your current level of participation in the DRP. <p>You must complete a DRP election form and forward it to McPherson's Share Registry at the postal address specified on the back of the notice. Forms are available by contacting the Share Registry. If you do not return the notice, you will receive your Dividend in cash only. Once you have commenced participation in the DRP, election forms may also be used to vary the level of DRP participation. Alternatively, DRP participation can be initiated or varied on-line by visiting www.investorcentre.com.</p> <p>In order to participate in the DRP for the next Dividend, your election for participation must reach the Company's share registry by no later than the Trading Day immediately following the Record Date for that Dividend.</p>

The DRP

Details of the DRP are set out in the Terms and Conditions in this booklet.

The basic features of the plan are as follows.

- The DRP is an ongoing plan and applies to each and every Dividend unless McPherson's otherwise determines.
- Under the DRP all or part of your Dividend is reinvested in additional shares.
- At each date on which a Dividend is paid, the Dividend entitlement on participating shares is automatically reinvested in new shares which rank equally in all respects with existing shares.
- Shares issued under the DRP will be added to those already participating in the DRP and unless the Shareholder advises the Share Registry otherwise, dividends paid in respect of these shares will automatically be reinvested under the DRP.
- For taxation purposes it is treated as though you received the cash dividend and then paid it back to McPherson's in order to acquire these shares.
- New shares are issued under the DRP at any discount determined by the Board on an average market price (as determined in accordance with the Terms and Conditions) and are allotted free of brokerage, commission and stamp duty costs.
- A statement is sent to you after each Dividend payment date with details of your shareholding, the Dividend paid and the number of new shares issued to you.

The result is that you will receive shares in McPherson's instead of cash dividends to the extent of your participation. Additional shares are allotted at or about the same time as cash dividends are paid.

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The table below provides general guidelines of the taxation implications of the Plan under current Australian law and practice for Australian shareholders:

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Income Tax	Shares received under the DRP are treated as dividends for taxation purposes on the same basis as cash dividends.
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Tax File Number	Where shareholders have failed to provide McPherson's with their Tax File Number, they will have resident withholding tax deducted at the top marginal rate to the extent that the Dividends are not franked.
Dividend Withholding Tax	Dividends applied to pay up shares received under the DRP by shareholders outside Australia are subject to dividend non-resident withholding tax to the extent that the Dividends are not franked.
Capital Gains Tax	Shares received under the DRP will be subject to Australian capital gains tax upon their disposal, irrespective of the date of acquisition of the shares in respect of which they were issued. For the purposes of capital gains tax the acquisition date of the DRP shares will be the date they are issued, that is, the Dividend date. The cost base of the new shares will be the amount of the Dividend (less deductions, if any, due to dividend withholding tax or failure to provide a Tax File Number or both).

General Information

- If shares participating in the Plan are sold, they will cease to participate in the Plan when the share transfer is registered. Should you sell any shares shortly before the record date for a Dividend you should inform your broker that the shares were participating in the Plan. You should immediately notify the Share Registry in writing should you wish to withdraw from the Plan or vary your participation level.
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- Set out on the following pages are the rules of the DRP as they have been established by the Board of McPherson's.
- All inquiries concerning the operation of the Plan should be directed to McPherson's Share Registry:

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne Vic 3001

Tel: 1300 850 505

www.investorcentre.com/contact

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When used herein, unless the context otherwise requires:

- (a) **"Board"** means the board of directors of McPherson's.
 - (b) **"Discount"** means the percentage discount (if any) of between 0 and 5 per cent determined by the Board from time to time to be applied for the purposes of clause 5.
 - (c) **"Dividend"** means any cash dividend payable by McPherson's.
 - (d) **"McPherson's"** means McPherson's Limited ABN 98 004 068 419, a company incorporated in the State of Victoria and having its registered office at 105 Vanessa Street, Kingsgrove, New South Wales.
 - (e) **"Non-Participating Shares"** means Shares which are not subject to the Plan and on which the Dividend is paid in the normal way.
 - (f) **"Normal Trade"** means all trades excluding special, unusual or abnormal 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.
 - (g) **"Participant"** means a Shareholder who elects to participate in the Plan.
 - (h) **"Participating Shares"** means Shares which are subject to the Terms and Conditions of the Plan, the Dividend from which is invested in new Shares.
 - (i) **"Plan"** means the McPherson's Dividend Reinvestment Plan.
 - (j) **"Pricing Period"** means the period that the Board determines from time to time, being a period of not less than 5 Trading Days commencing on the third Trading Day after the Record Date or such other period commencing before or after the Record Date that is determined by the Board from time to time to be applied for the purposes of clause 5.
 - (k) **"Record Date"** is the date and time, as determined by the Board, at which a person holds or is taken to hold Shares for the purposes of determining Dividend entitlements.
 - (l) **"Share Register"** means the register of members of McPherson's.
 - (m) **"Share Registry"** means the postal address advised from time to time of the register of members of McPherson's.
 - (n) **"Shares"** means fully paid ordinary shares in the capital of McPherson's.
 - (o) **"Terms and Conditions"** means the terms and conditions of the Plan as may be amended from time to time.
 - (p) **"Trading Day"** means a full day (other than a day on which the ASX is closed for the full day or part of the day, or on which trading on the ASX is suspended) on which Shares are quoted, and not suspended from quotation or made subject to a trading halt on the ASX.
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2. Participation

- (a) Participation in the Plan is subject to the Terms and Conditions.
- (b) Participation in the Plan is optional and not transferable.
- (c) Subject to certain restrictions on overseas Shareholders as indicated below, and to the provisions of sub-clauses (iii) and (iv) hereof, all holders of Shares are eligible to participate in the Plan.
 - (i) A Shareholder who is subject to the laws of the country other than Australia may not be eligible to participate in the Plan because of legal requirements that apply to that Shareholder either in that country or in Australia. Allotment of Shares to Shareholders who are residents of overseas countries at the time of allotment will be subject to all necessary governmental approvals. The obtaining of such approvals will be the responsibility of the overseas resident Shareholder.
 - (ii) Shareholders who either:
 - (aa) are nationals or residents of the United Kingdom, Canada or the United States of America, their territories and possessions;
 - (ab) have a registered address in one of those countries;
 - (ac) are "US Persons" (as defined in Regulation S of the Securities Act of 1933 (as amended));
 - (ad) hold Shares on behalf of, or act for the account or benefit of, persons described in paragraphs (aa), (ab) or (ac) above, are not at present eligible to participate in the Plan.
 - (iii) The Board may in its absolute discretion refuse participation in the Plan to a Shareholder in respect of all or a number of his/her Shares and to suspend or withdraw those Shares from participation for any reason, including the restrictions described in sub-clauses (i) and (ii) above, under which either the law of Australia or that of another country or some other matter or thing, in the opinion of the Board, makes his/her participation in the Plan illegal, impossible or impracticable.

3. Application to Participate (Entry to the Plan)

- (a) Application to participate in the Plan will only be effective if initiated on-line by visiting www.investorcentre.com or by completing the application form provided by McPherson's and if signed by the relevant Shareholder or the Shareholder's attorney. An application by joint holders of Shares must be signed by all of those joint holders or their respective attorneys.
 - (b) To be effective with respect to a particular Dividend payment, an application must be received by McPherson's at its Share Registry by no later than the Trading Day immediately following the Record Date for that Dividend.
 - (c) Signed applications which do not specify the level of participation, or purport to specify both full participation and partial participation, will be deemed to be for full participation and McPherson's shall not be liable to the Shareholder for any loss, damage or claim in respect of that Shareholder's participation as a result of the operation of this provision.
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4. Level of Participation

- (a) A Shareholder who is eligible for participation in the Plan and who wishes to do so, must specify on the DRP election form the degree which he/she wishes to participate in the Plan by:
- (i) crossing the box marked "all" for full participation; or
 - (ii) for partial participation, crossing the box marked "part" and specifying the number of Shares held by him/her from time to time with respect to which he/she wishes to participate in the Plan.
- (aa) **Full Participation**
- (A) A Shareholder may participate in the Plan in respect of all Shares registered in his/her name at the relevant Record Date.
 - (B) When full participation is applied or deemed to have been applied for, all Shares registered in the Participant's name, including Shares allotted to the Participant pursuant to this Plan and Shares purchased or otherwise acquired by the Participant after the date of acceptance of his/her application, will be subject to the Plan.
- (ab) **Partial Participation**
- (A) A Shareholder may nominate a specific number of Shares, being less than his/her total Shareholding, to be subject to the Plan.
 - (B) When partial participation is applied for, only the number of Shares specified by the Participant will be subject to the Plan. Where, through the sale or transfer of Shares, the number of Shares held by a Participant at the relevant Record Date is less than the number of Shares nominated for participation in the Plan, the Participant shall be deemed to be a full Participant until the number of Shares held (including Shares allotted under the Plan) again exceeds the number of Shares so nominated.
- (b) McPherson's takes no responsibility for transfers that are not entered on, or removed from, the Share Register prior to the relevant Record Date.
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5. Operation of the Plan

- (a) Each Dividend which is payable to a Participant in respect of Participating Shares and is available for payment to the Participant will be applied by McPherson's on the Participant's behalf in subscribing for Shares.
- (b) McPherson's will establish and maintain a Plan account for each Participant.
- (c) In respect of each Dividend payable to a Participant, McPherson's will:
 - (i) determine the amount of the Dividend to be payable in respect of the Participating Shares;
 - (ii) determine the amount of Australian non-resident withholding tax or, where a Participant has failed to provide McPherson's with their Tax File Number, the amount of resident withholding tax which is payable in respect of that Dividend;
 - (iii) credit the amount referred to in paragraph (i) to the Participant's Plan account and (where applicable) debit the resident or non-resident withholding tax referred to in paragraph (ii) from that account;
 - (iv) allot in consideration for the deemed receipt from the Participant of the Cash Amount of the Participant's Plan account the number of Shares calculated in accordance with the following formula (provided that, if that number is not a whole number, it shall be rounded up to the next above whole number):

$$\frac{N \times D}{P}$$

where:

"N" is the number of Participating Shares registered in the name of the Participant at the Record Date for the relevant Dividend payment;

Operation of the Plan (cont'd)

"D" is the amount in cents per Share of the Dividend which is payable.

"P" is the volume weighted average sale price of all Shares sold through a Normal Trade on the ASX during the Pricing Period LESS any Discount, (adjusted in such manner as the Board considers appropriate to preserve equity between Participants and non-participants in the Plan for the Dividend, any bonus issue, rights issue or other distribution in which the Shares allotted pursuant to the Plan will not participate or any other relevant fact, matter or thing) expressed in cents and calculated to the nearest cent.

- (d) The subscription price per Share allotted pursuant to these terms and paid by the Participant from his or her Plan account shall be equal to:

$$\frac{N \times D}{S}$$

where:

"S" is the number of Shares allotted in accordance with clause 5(c); and

"N" and "D" have the meanings attributed to each of them respectively in clause 5(c).

6. McPherson's Shares Allotted under the Plan

- (a) Shares allotted under the Plan will:
- (i) rank equally in all respects with existing Shares and will participate in all dividends subsequently declared in respect of those Shares;
 - (ii) be registered on the Share Register where the Participant already holds Shares; and
 - (iii) automatically be added to those already participating in the DRP, and unless the Shareholder advises the Share Registry otherwise, dividends paid in respect of those shares will be automatically reinvested under the DRP.
- (b) A Statement showing the total number of Shares allotted under the Plan in respect of each dividend on Participating Shares will be issued to the Participant. The Statement will be forwarded to Participants as soon as practicable after allotment.
- (c) Promptly after each allotment, McPherson's will apply for Shares allotted under the Plan to be listed on the official list of ASX Limited.

7. Costs to Participants

No brokerage, commission, stamp duty or other transaction costs will be payable by Participants in respect of Shares allotted under the Plan.

8. Statement of Participants	After each dividend payment date, McPherson's will send to each Participant a Statement setting out relevant information on the current standing of the Participant's Plan account.
9. Variation to or termination of Participation	<p>(a) Subject to Clause 11 and without limiting the operation of Clause 4(a)(ii)(aa)(B), a Participant may at any time give notice in writing to the Share Registry of McPherson's to:</p> <ul style="list-style-type: none"> (i) increase or decrease the number of Participant's Participating Shares; or (ii) terminate the Participant's participation in the Plan <p>However, as provided in Clause 11, to be effective in respect of a particular dividend payment, a notice must be received by McPherson's at its Share Registry by no later than the Trading Day immediately following the Record Date for that dividend payment.</p> <p>(b) If a Participant dies, his/her participation in the Plan will be terminated upon receipt by McPherson's at its Share Registry of a notice of death from the Participant's legal personal representative.</p> <p>(c) If a Participant is declared bankrupt or is being wound up, the Participant's participation in the Plan will terminate upon receipt by McPherson's at its Share Registry of a notice of bankruptcy or winding up from the Participant or the Participant's trustee in bankruptcy or liquidator (as the case may be).</p> <p>(d) In the case of joint Participants, where one Participant dies or becomes bankrupt or is being wound up, the participation of the other Participant(s) in the Plan will terminate at the same time as that of the Participant that is deceased, bankrupt or that is being wound up.</p>
10. Reduction or termination where no notice is given	<p>(a) Where a Participant disposes of part of his/her holding of Shares and does not notify McPherson's otherwise, the Shares being disposed of will, to the extent possible: (i) firstly, reduce the number of any Non-Participating Shares which the Participant holds (if any); and (ii) secondly, reduce the number of any Participating Shares which the Participant holds (if any).</p> <p>(b) Where a Participant disposes of all his/her holding of Shares without giving notice of termination of participation in the Plan, those Shares will cease to be Participating Shares from the date of registration of the transfer.</p>
11. Application and notice	<p>(a) Applications and notices must be in writing and in the form McPherson's may from time to time prescribe, including via the on-line facility at www.investorcentre.com.</p> <p>(b) Such applications and notices will be effective on receipt by McPherson's, subject to:</p> <ul style="list-style-type: none"> (i) these Terms and Conditions; (ii) in the case of applications, acceptance by McPherson's; and (iii) receipt by McPherson's at its Share Registry by no later than the Trading Day immediately following the Record Date. Applications and notices, including notices of death, or bankruptcy received after such closing will not be effective for that dividend, but will (subject to these Terms and Conditions) be effective for dividends declared and paid thereafter. <p>(c) Improperly completed Notices will be invalid and ineffective and will be returned.</p>

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12. **Modification and termination of the Plan**
- (a) The Plan may be modified, extended, suspended, terminated or reinstated by the Board by announcement to the ASX and, in particular, without in any way limiting the generality of the foregoing, may be extended:
 - (i) to the holders of loan securities and to holders of other classes of Shares in McPherson's;
 - (ii) to provide Shareholders with a right to acquire additional Shares for cash under these Terms and Conditions.
 - (b) The modification, suspension, termination or reinstatement takes effect on the date and in the manner specified by the Board and the variation, suspension, termination or reinstatement does not give rise to any liability on the part of, or right or action against, the Board or McPherson's or its officers, employees or agents.
 - (c) In the case of modification, existing Participants will continue under the modified Plan unless McPherson's is notified to the contrary on the prescribed DRP election form.
 - (d) Should the Plan be terminated, McPherson's will send to Participants the statements and amounts to be sent, in terms of Clause 9, to Participants upon termination of their participation.
 - (e) The accidental omission to give notice of modification, suspension, termination or reinstatement to, or the non-receipt of any notice by, any Shareholder or Participant will not invalidate the modification, suspension, termination or reinstatement of the Plan.
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13. **Taxation**
- McPherson's takes no responsibility for the taxation liabilities of Participants. As individual circumstances and laws vary considerably from time to time any specific taxation advice should be obtained by a Participant at the Participant's expense.
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14. **Administration of the Plan**
- This Plan will be administered by the Board, who has the power to:
- (a) determine appropriate procedures for administration of the Plan consistent with the provisions of these Terms and Conditions.
 - (b) resolve conclusively all questions of fact or interpretation in connection with the Plan;
 - (c) delegate to any one or more persons, for such period and upon such conditions as they may determine, the exercise of any of their powers or discretions arising under the Plan;
 - (d) amend or add to these Terms and Conditions by announcement to the ASX; and
 - (e) waive strict compliance with any of the provisions of these Terms and Conditions.
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15. **General**
- (a) The Plan will not apply in any case where in accordance with the Constitution of McPherson's, or otherwise by law, the Board is entitled to retain all or part of a dividend payment in respect of Shares which a Participant has nominated as participating in the Plan and over which Shares and/or dividend McPherson's holds, or is entitled to hold, a charge or lien.
 - (b) The Plan and its operation and these Terms and Conditions shall be governed by the laws of the State of Victoria.
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