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# **Dividend Reinvestment Plan Rules**

**L1 Long Short Fund Limited (ACN 623 418 539)**

**11 February 2021**

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## 1 Defined terms and interpretation

### 1.1 Definitions in the Dictionary

A term or expression starting with a capital letter which is defined in the Dictionary in Schedule 1 has the meaning given to it in the Dictionary.

### 1.2 Interpretation

The interpretation clause in Schedule 1 sets out rules of interpretation for these Rules.

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## 2 Eligibility to participate

### 2.1 Participation subject to the Rules

Participation in the DRP is subject to these Rules.

### 2.2 Eligible Shareholders

- (a) Participation in the DRP:
  - (i) is open to all Eligible Shareholders;
  - (ii) is optional and voluntary;
  - (iii) is not transferable; and
  - (iv) may be varied or terminated at any time in accordance with rule 14.
- (b) Subject to rule 2.3, an **Eligible Shareholder** is, in respect of a particular Dividend:
  - (i) a Shareholder whose address in the Company's share register is at the Dividend Record Date in Australia or New Zealand, unless that person holds Shares only on behalf of another person who resides outside Australia and New Zealand and who would not themselves, if named in the Company's share register, be an Eligible Shareholder under rule 2.2(b)(ii); or
  - (ii) any other Shareholder at that Dividend Record Date in respect of whom the Board is satisfied (in its absolute discretion) that, or who has satisfied the Board that:
    - (A) the offer and issue or transfer of Shares under the DRP to that Shareholder is lawful and practicable in the jurisdiction in which they reside; and
    - (A) the Shareholder does not hold Shares on behalf of any other person who would not, if named in the Company's share register, be an Eligible Shareholder themselves.
- (c) Any Shareholder having a registered address or being resident in a country other than Australia or New Zealand may not be eligible to participate in the DRP because of the legal requirements applying in that country or other factors. The Board has absolute discretion to determine whether any such Shareholder is excluded from participation in the DRP because such participation would or may be impracticable, impossible or illegal.

## 2.3 Board's discretion

- (a) The Board is entitled to make a final determination as to whether any particular Shareholder is an Eligible Shareholder within the terms of these Rules and to change any such determination, as and when it sees fit. In making this determination, the Board may consider a variety of factors, including whether a Shareholder obtained any necessary approvals or advices to enable, or support, that Shareholder's participation in the DRP in the jurisdiction in which that Shareholder resides and any actual or anticipated inconvenience or expense in allowing, or investigating the possibility of allowing, such participation.
- (b) The Board has absolute discretion to refuse to accept any person's Shares for participation or continued participation in the DRP and to suspend or withdraw any person's Shares from participation, including if the Board considers that the participation of those Shares might:
  - (i) breach of any law in Australia, including the *Foreign Acquisitions and Takeovers Act 1975* (Cth), the Listing Rules or the Constitution;
  - (ii) prejudice the effective operation of the DRP; or
  - (iii) be undesirable or impracticable.
- (c) It is the responsibility of each Shareholder to obtain any necessary approvals to enable that Shareholder to participate in the DRP.

## 2.4 US persons and estates

Notwithstanding any other rule, a "US person" (as defined in Regulation S of the U.S. Securities Act of 1933), or the estate of any deceased person where the Company has been notified of the estate, is not an Eligible Shareholder.

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# 3 Application to participate

## 3.1 Application to participate

Subject to the discretion of the Company, an application to participate in the DRP must be made by submitting a DRP Instruction Form to the Share Registry in accordance with rule 18. An Eligible Shareholder's participation in the DRP will take effect in accordance with rule 18(c).

## 3.2 Term of participation

A DRP Instruction Form validly submitted or otherwise accepted by the Company is effective until:

- (a) the Participant varies or terminates participation in the DRP pursuant to these Rules; or
- (b) termination of the DRP; or
- (c) the Participant ceases to be an Eligible Shareholder, in which case the DRP Instruction Form will become effective again if and at such time as the Shareholder recommences to be an Eligible Shareholder.

### 3.3 Records

The Company will record, with respect to each Participant:

- (a) the name and address of the Participant (being the name and address in the Company's register of members, from time to time); and
  - (b) the number of Participating Shares held by the Participant from time to time,
- and the Company's record will be conclusive evidence of the matters so recorded.

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## 4 Extent of participation

- (a) Subject to rule 4(e), Shareholders can elect to participate in the DRP for part or all of their Shares. A DRP Instruction Form must specify whether the Shareholder elects Full Participation or Partial Participation, and if Partial Participation is specified, the DRP Instruction Form must specify the number of Shares that are to be Participating Shares.
- (b) **Full Participation** means that all Shares registered in the Participant's name from time to time, including Shares issued pursuant to the DRP, are Participating Shares subject to:
  - (i) the ASX Settlement Operating Rules, ASX Operating Rules, the Listing Rules and the Corporations Act;
  - (ii) any changes to the extent of that Participant's participation; and
  - (iii) the Minimum Participating Holding and the Maximum Participating Holding (in each case, if any).
- (c) **Partial Participation** means that only the number of Shares specified in the DRP Instruction Form by the Participant as Participating Shares (being less than the Participant's total shareholding) are subject to the DRP (subject to the Minimum Participating Holding or the Maximum Participating Holding, if any). However, if at the relevant Dividend Record Date the number of Shares held by the Participant is less than the specified number of Participating Shares in the DRP Instruction Form, the DRP will apply to the lesser number of Shares. Where a Shareholder elects Partial Participation, Shares in excess of the number specified as participating that are subsequently acquired by that Shareholder (whether under the DRP or otherwise), will not participate in the DRP unless that Shareholder alters the participation level in accordance with rule 14.
- (d) A DRP Instruction Form that does not, in the opinion of the Company, specify whether participation is to be full or partial, that specifies both, or that does not clearly identify the number of Participating Shares or identifies a number of Participating Shares in excess of the number of Shares currently held by the Shareholder, is deemed to be an election for Full Participation.
- (e) The Company may at any time determine that participation is limited to Full Participation and Partial Participation is not available. Such determination may apply to a particular Dividend only or Dividends generally (until further notice).
- (f) The Company shall not be liable to any Eligible Shareholder for any loss, damage or claim in respect of that Eligible Shareholder's participation as a result of the operation of rules 4(a), 4(b), 4(c) or 4(e).

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## 5 Multiple and joint holdings

- (a) If a Shareholder has more than one holding of Shares or holds shares on behalf of one or more beneficial owners:
  - (i) each holding, or the parcel of Shares held on behalf of a beneficial owner, will be treated as separate for the purposes of the DRP, such that a separate appropriately completed DRP Instruction Form must be lodged with respect to each separate holding, or parcel held on behalf of a beneficial owner, that is to participate; and
  - (ii) these Rules will apply as if each such holding, or parcel held on behalf of a beneficial owner were held by a separate Shareholder,unless the Board determines otherwise.
- (b) Unless the Board determines otherwise, if Shares are jointly held by 2 or more Eligible Shareholders, all joint holders of such Shares must sign a single DRP Instruction Form (or it must be appropriately completed electronically) 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 DRP with respect to the Shares jointly held.

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## 6 Broker, trustee or nominee accounts

If:

- (a) a shareholding account appearing in the Company's register of members relates to a:
  - (i) broker's clearing account;
  - (ii) trustee; or
  - (iii) nominee; and
- (b) the broker, trustee or nominee notifies the Company:
  - (i) that the relevant Shares are held for a number of different persons; and
  - (ii) specifies the number of Shares held for each of such persons (although the names of such persons need not be specified),

then each such holding will, from the date of such notification, be taken to represent a separate Shareholder for the purpose of the Full Participation, Partial Participation, the Minimum Participating Holding (if any) and the Maximum Participating Holding (if any), and these Rules will be read and interpreted accordingly.

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## 7 Minimum Participating Holding and Maximum Participating Holding

### 7.1 Minimum Participating Holding

- (a) The Company may determine a **minimum** permitted number of Participating Shares per Participant (whether in respect of a particular Dividend or Dividends generally) from time to time by announcement to the market.
- (b) To the extent that a DRP Instruction Form has specified a number of Participating Shares less than the prevailing Minimum Participating Holding (including an election of Full Participation where the number of Participating Shares would otherwise be less than the limit), for so long as that limit applies:
  - (i) the number of Participating Shares for that Participant for the purposes of these Rules is deemed to be zero; and
  - (ii) on each Dividend Record Date, any Shares specified in the DRP Instruction Form as Participating Shares less than that limit (including an election of Full Participation where the number of Participating Shares would otherwise be less than that limit) are deemed not to be Participating Shares, and any Dividend payable in respect of them will be paid by the Company in accordance with its usual arrangements for the payment of Dividends.

### 7.2 Maximum Participating Holding

- (a) The Company may determine a **maximum** permitted number of Participating Shares per Participant (whether in respect of a particular Dividend or Dividends generally) from time to time by announcement to the market.
- (b) To the extent that a DRP Instruction Form has specified a number of Participating Shares in excess of the prevailing Maximum Participating Holding (including an election of Full Participation where the number of Participating Shares would otherwise be less than that limit), for so long as that limit applies:
  - (i) the number of Participating Shares for that Participant for the purposes of these Rules is deemed to be that limit; and
  - (ii) on each Dividend Record Date, any Shares specified in the DRP Instruction Form as Participating Shares in excess of that limit (including an election of Full Participation where the number of Participating Shares exceed that limit) are deemed not to be Participating Shares, and any Dividend payable in respect of them will be paid by the Company in accordance with its usual arrangements for the payment of Dividends.

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## 8 The effect of applying for participation

By applying to participate in the DRP, the Shareholder:

- (a) warrants to the Company that it is an Eligible Shareholder;
- (b) acknowledges that Dividends reinvested under the DRP will be assessable for applicable income tax in the same way as cash Dividends;

- (c) authorises the Company (and its officers or agents) to correct any error in, or omission from, any DRP Instruction Form that it submits;
- (d) acknowledges that the Company (or its officers or agents) may at any time irrevocably determine that the applicant's DRP Instruction Form is valid, in accordance with these Rules, even if the DRP Instruction Form is incomplete, contains errors or is otherwise defective;
- (e) acknowledges that the Company may reject any DRP Instruction Form;
- (f) consents to the establishment of a DRP account on its behalf;
- (g) consents to any residual positive balance produced by the calculation in rule 9.3 remaining in its DRP account rather than being paid;
- (h) agrees to the appointment of the Company, or a trustee or nominee (including a broker or the Share Registry) nominated by the Company, as the Participant's agent to acquire Shares, where the Company decides to Allocate Shares to Participants by transferring existing Shares in accordance with rule 11 (and for the avoidance of doubt, the Shareholder agrees to the Company or its nominee taking all steps necessary to register the Shares in the Shareholder's name, including the execution of any share transfers required);
- (i) consents to the donation of the residual positive balance in its DRP account to one or more registered charities, in the circumstances set out in rule 9.5(b);
- (j) acknowledges that the Company may, in its absolute discretion, arrange for the DRP to be fully or partially underwritten in respect of any one or more Dividends;
- (k) acknowledges that neither the Company nor the Share Registry has provided the applicant with investment advice, financial product advice or any securities recommendation concerning its decision to participate in the DRP and that neither has any obligation to provide this advice or recommendation;
- (l) unconditionally agrees to the Rules and agrees not to do any act or thing that would be contrary to the spirit, intention or purpose of the DRP or these Rules; and
- (m) acknowledges that neither the Company nor the Share Registry (nor the Board, any officer or agents of the Company or the Share Registry) will be liable or responsible to the Shareholder for any loss or disadvantage suffered or incurred by the Shareholder as a result, directly or indirectly, of the establishment or operation of the DRP or participation in the DRP or in relation to any advice given with respect to participation in the DRP,

in each case at all times until termination of the DRP or until the Shareholder's participation in the DRP ends.

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## 9 Reinvestment of Dividends and residual balances

### 9.1 Application towards additional Shares

Each Dividend payable to a Participant in respect of Participating Shares will be applied by the Company on the Participant's behalf in acquiring additional Shares by issue or transfer in accordance with these Rules.

## **9.2 Dividends not available for reinvestment**

Any portion of a Participant's Dividend Payment on Participating Shares that:

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

will not be applied to acquire or subscribe for Shares under the DRP.

## **9.3 DRP account and allocation of Shares**

The Company will establish and maintain a DRP account for each Participant. The Company will in respect of each Dividend payable to a Participant:

- (a) determine the Dividend Payment in respect of that Participant's Participating Shares (excluding any amount not available under Rule 9.2);
- (b) credit the amount determined under rule 9.3(a) to the Participant's DRP account and that payment constitutes payment of the Dividend on the Participant's Participating Shares;
- (c) determine the maximum whole number of additional Shares that may be acquired under the DRP at the Allocation Price by dividing the amount in the Participant's DRP account by the Allocation Price and rounding that number down to the nearest whole number;
- (d) on behalf and in the name of the Participant, subscribe for or acquire that number of Shares and debit the Participant's DRP account with the total price for the Allocated Shares; and
- (e) retain in the Participant's DRP account, without interest, any cash balance remaining (rounded down to the nearest cent) unless and until the cash balance is applied in accordance with these Rules.

Except as set out in these Rules, as required by law or as determined by the Board, neither a Participant's DRP account nor any amount credited to it is transferrable.

## **9.4 Residual balance to be retained**

Subject to rule 9.5, any residual balance in a Participant's DRP account will remain in the Participant's DRP account (without accruing interest) and will be aggregated with any further Dividend Payment credited to the Participant's DRP account.

## **9.5 Residual balance to be paid out**

- (a) If the DRP is terminated by the Company pursuant to these Rules, any residual balance in a Participant's DRP account will remain in the Participant's DRP account and will be paid to the Participant along with, and (where practicable) by the same means as, the Participant's Dividend Payment. Additionally, where the Board determines that the DRP will not apply to a particular dividend, the Board may also determine that the amount in a Participant's DRP account will be paid to that Participant along with and by the same means as that Participant's Dividend Payment.

- (b) If a Participant ceases to participate in the DRP for any reason other than the termination of the DRP by the Company pursuant to these Rules, the Participant will be taken to have directed the Company to donate any residual balance in the Participant's DRP account on behalf of the Participant to one or more registered charities, nominated by the Board from time to time. Participants will not be issued with a receipt in connection with any donation made under this rule.

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## 10 Price of Shares

- (a) Shares are allocated under the DRP at the **Allocation Price**, which is either (in the absolute discretion of the Company):
    - (i) the Average Market Price for the Pricing Period, less the Discount (if any) determined by the Company rounded to the nearest cent; or
    - (ii) where existing Shares are acquired for transfer to the Participants, the average of the actual price paid for all Shares which will be used to satisfy the Company's obligations in respect of a particular Dividend, under these Rules.
- The determination by the Company of the Allocation Price is binding on all Participants.
- (b) The Average Market Price must be calculated by the Company or another suitable person nominated by the Company, by reference to information the Company approves for that purpose from time to time.
  - (c) A Discount (if any) or Pricing Period may be different from one Dividend to the next, and either may be determined or varied by announcement to the market at any time.

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## 11 Allocation of Shares

- (a) The Company may, in its discretion, either issue new Shares or cause existing Shares to be acquired for transfer to Participants (or undertake a combination of both options), to satisfy its obligations under these Rules. If the Company determines to cause the transfer of Shares to Participants, those Shares may be acquired in the market or otherwise in such manner as the Company considers appropriate.
- (b) All Shares newly issued under the DRP will, from the date of Allocation, rank equally in all respects with existing Shares unless the Company determines that they are not to participate in either or both of:
  - (i) the next Dividend paid; and
  - (ii) any offer of Shares open when the Shares are issued under the DRP.
- (c) Allocated Shares pursuant to the DRP will be registered on the share register on which the Participant already holds Shares or if the Participant holds Shares on more than one share register, on the share register that the Company determines.
- (d) The Company will make application promptly after each Allocation of newly issued Shares for quotation of those shares on the ASX.

- (e) Shares will not be issued under the DRP if the issue would breach a provision of any applicable law.
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## 12 Underwriting

The Board may, in its absolute discretion, choose to procure the partial or complete underwriting of the DRP in respect of any Dividend by one or more underwriters to be appointed by the Company.

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## 13 DRP statements

On, or as soon as practicable after, each Dividend Payment Date, the Company will forward a statement to each Participant detailing:

- (a) the number of the Participant's Participating Shares as at the relevant Dividend Record Date;
  - (b) the amount of the relevant Dividend Payment in respect of the Participant's Participating Shares (including any amounts withheld or deducted from the dividend payable);
  - (c) The amount (if any) in the Participant's DRP account immediately prior to the payment of the relevant Dividend;
  - (d) the number of Allocated Shares, the Allocation Price of each Share Allocated to the Participant under these Rules and the date of Allocation of those Shares;
  - (e) the cash balance (if any) retained in the Participant's DRP account after deduction of the amount payable on Allocation of the additional Shares;
  - (f) the Participant's total holding of Shares after Allocation;
  - (g) the franked amount (if any) of the Dividend Payment and the franking credit (if any) attached to the Dividend; and
  - (h) any other matters required by law to be included in a statement.
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## 14 Variation or termination of participation

- (a) A Participant may at any time give written notice to the Company via the Share Registry using a DRP Instruction Form:
    - (i) increasing or decreasing the number of Shares participating in the DRP (including by varying participation for Partial Participation to Full Participation, or vice versa); or
    - (ii) terminating participation in the DRP.
  - (b) The alteration or termination takes effect in accordance with rule 18 (meaning it will only be effective in respect of a Dividend if the DRP Instruction Form is received before the Election Date for that Dividend, unless the Company determines otherwise). If a Participant increases the level of participation in the DRP to Full Participation, rule 4(b) applies.
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- (c) If a Participant decreases the level of participation in the DRP or increases the level of participation in the DRP to a level below Full Participation, rule 4(c) applies.
  - (d) If a Participant dies, participation in the DRP terminates upon receipt by the Company of written notice of the death. If a Participant is declared bankrupt or is wound-up, participation in the DRP terminates upon receipt by the Company of 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.
  - (e) Following termination of participation for whatever reason (including termination of the DRP under rule 16), if the Participant or the Participant's legal representative requests a statement of the Participant's DRP account made out to the date of termination, the Company will provide that statement.
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## **15 Reduction or termination by the Participant where no notice is given**

- (a) Where all of a Participant's Shares are Participating Shares and the Participant disposes of some of those Shares, then subject to rule 14(a), the remaining Shares held by the Participant continue to be Participating Shares.
  - (b) Where only some of a Participant's Shares are Participating Shares and the Participant disposes of part of the Participant's Shares then unless the Participant advises the Company via the Share Registry otherwise in writing at least 5 Trading Days prior to the disposal, the Shares disposed of will, to the extent possible:
    - (i) first, reduce the number of Shares that are not Participating Shares that the Participant holds (if any); and
    - (ii) secondly, reduce the number of Participating Shares that the Participant holds (if any).
  - (c) Where a Participant disposes of all Shares without notifying the Company via the Share Registry of termination of participation and the Participant is not registered as a holder of any Shares on the following Dividend Record Date, the Participant is deemed to have terminated participation in the DRP with respect to the shareholding effective on that following Dividend Record Date.
  - (d) For the purpose of this rule 15, a Participant 'disposes' of Shares if the Participant holds fewer Shares on a Dividend Record Date than the Participant held on the preceding Dividend Record Date.
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## **16 Variation, suspension and termination of the DRP or these Rules**

- (a) The DRP or these Rules may be varied, suspended or terminated by the Company at any time by announcement to the market. Following suspension, the DRP or these rules may be reinstated by the Company at any time by announcement to the market. The DRP and these Rules may be varied, suspended and reinstated more than once.

- (b) Without limiting its power under rule 16(a), for the avoidance of doubt, where the Company has announced that the DRP will operate in respect of a Dividend, the Company retains the discretion to suspend the DRP in respect of that Dividend at any time prior to the Dividend Payment Date.
- (c) The variation, suspension, termination or reinstatement takes effect on the date specified by the Company and the variation, suspension or termination does not give rise to any liability on the part of, or right or action against, the Company or its officers, employees and agents.
- (d) If the DRP or these Rules are varied, a Participant continues to participate under the DRP and these Rules in their varied form unless the Participant terminates its participation in the DRP by submitting an appropriately completed DRP Instruction Form in accordance with these Rules.
- (e) If the DRP is suspended, an election as to participation in the DRP will also be suspended and all Shares are deemed not to be Participating Shares for the purpose of any Dividend paid while the DRP is suspended. Upon reinstatement of the DRP, all prior elections are reinstated and will continue to apply until a new valid DRP Instruction Form is lodged, unless the Company determines otherwise.

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## 17 Cost to Participants

No brokerage, commission, or other transaction costs are payable by Participants in respect of Allocated Shares under the DRP and no stamp or other duties are payable, under present law, by Participants in respect of Allocated Shares under the DRP. The Company may, to the extent permitted by law, apply its funds in the payment of brokerage, commission or other transaction costs in respect of Allocated Shares under the DRP.

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## 18 Applications and other notices

- (a) For the purposes of this rule 18, an application or notice includes, but is not limited to, a DRP Instruction Form.
- (b) Applications and notices to the Company must be in the form prescribed by the Company from time to time. The Company may determine that applications and notices to the Company may be lodged electronically either through the Company's website or that of an authorised third party (including the Share Registry). Any application or notice lodged electronically must comply with the applicable terms and conditions of the electronic lodgement facility.
- (c) Subject to rules 18(d) and 18(e), applications and notices are effective upon receipt by the Company or the Share Registry (as appropriate) subject to these Rules.
- (d) The Company will set a time and date by which applications must be received by the Company or the Share Registry for the Shareholder to have elected to participate in the Plan in accordance with the ASX Listing Rules (**Election Date**). Unless the Company determines otherwise, applications or notices received after the Election Date for a Dividend are not effective in respect of that Dividend but are effective in respect of subsequent Dividends.
- (e) Without limiting 18(d), the Company has absolute discretion to:

- (i) accept or reject applications or notices which are not properly completed or signed; and
  - (ii) prior to acceptance, correct any error in, or omission from an application form or notice.
- (f) The accidental omission by the Company to give any notice under these Rules to any Shareholder, the ASX or any other person will not invalidate any act, matter or thing.
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## 19 Taxation

Neither the Company nor any of its officers, employees, representatives or agents:

- (a) take any responsibility or assume any liability for, or as a consequence of, the tax liabilities of any person in connection with the DRP; or
  - (b) represent or warrant that any person will gain any taxation advantage, or will not incur a taxation liability or disadvantage, as a result of participation in the DRP.
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## 20 General

- (a) Any Dividend, payable on Participating Shares, that the Company is entitled to retain as a result of a charge or lien in favour of the Company in accordance with the Constitution, or other requirement of law, are not available for the purpose of participating in the DRP.
  - (b) Any power, discretion or function of the Company under these Rules may be exercised or undertaken by the Board and the Board may delegate any such power, discretion or function to any person.
  - (c) Subject to the Constitution, the Company may:
    - (i) implement the DRP in any manner the Company thinks fit;
    - (ii) settle any difficulty, anomaly or dispute which may arise either generally or in a particular case in connection with, or by reason of, the operation of the DRP or these Rules as the Company thinks fit, whether generally or in relation to any Shareholder or DRP account or any Shares and the determination of the Company is conclusive and binding on all relevant Shareholders and other persons to whom the determination relates.
  - (d) 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 by a Participant as a result, directly or indirectly, of any one or more of:
    - (i) the establishment or operation of the DRP;
    - (ii) participation or non-participation in the DRP; or
    - (iii) any advice given with respect to participation in the DRP by any other person.
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- (e) The DRP, its operation and these Rules are governed by the laws of the State of Victoria and each Shareholder submits to the jurisdiction of the Courts of that State and the Courts which may hear appeals from those Courts.
- (f) Despite anything else in these Rules, the Listing Rules and the Corporations Act prevail to the extent of any inconsistency with these Rules.

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## Schedule 1      Dictionary

### 1      Dictionary

In these Rules:

**Allocated Shares** means the Shares allocated to the Participant under the DRP.

**Allocation** means

- (a) the issue of new Shares to Participants under the DRP; or
- (b) the transfer of Shares acquired for the purposes of the DRP to Participants under the DRP,

as the case may be.

**Allocation Price** means the price at which Shares will be Allocated under the DRP calculated in accordance with rule 10.

**ASX** means ASX Limited (ACN 008 624 691) and where the context permits, the stock market operated by ASX Limited.

**ASX Operating Rules** means the operating rules of ASX, as in force from time to time.

**ASX Settlement Operating Rules** means the operating rules of ASX Settlement Pty Limited (ACN 008 504 532), as in force from time to time.

**Average Market Price** means the arithmetic average of the daily volume weighted average sale price (calculated to the nearest cent) of Shares traded on the ASX during the relevant period, excluding any Excluded Transactions.

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

**Business Day** has the meaning given in the Listing Rules.

**Company** means L1 Long Short Fund Limited (ACN 623 418 539).

**Constitution** means the constitution of the Company, as amended from time to time.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Discount** means the percentage discount (if any) determined by the Company from time to time to be applied in calculating the Allocation Price per Share under rule 10.

**Dividend** means any cash dividend per Share announced and payable by the Company.

**Dividend Payment** for a Shareholder means the Dividend multiplied by the number of Shares held by that Shareholder as at the Dividend Record Date, less any withholding tax or any other amounts the Company is entitled or required to deduct from the payment.

**Dividend Payment Date** means the date on which the Dividend is payable, as announced by the Company to the market.

**Dividend Record Date** means the time and date, as determined by the Board, at which a person holds or is taken to hold Shares for the purpose of determining a Shareholder's entitlement to Dividends.

**DRP** means the Company's dividend reinvestment plan to which these Rules apply, as varied from time to time.

**DRP account** means the account established and maintained by the Company for each Participant under the DRP.

**DRP Instruction Form** means the form (whether in paper format or electronic) relating to the DRP used to apply for participation in the DRP, or to vary or terminate a Shareholder's participation in the DRP, as approved by the Company from time to time.

**Election Date** has the meaning given in rule 18(d).

**Eligible Shareholder** has the meaning given to it in rule 2.

**Excluded Transaction** means any transaction, as determined by the Company in its absolute discretion, to be an abnormal transaction (on the basis that that the transaction is not fairly reflective of natural supply and demand), including but not limited to crossings which occur off market (including, for example, any transaction described in the ASX Operating Rules as a 'special crossing', crossings with price improvement which occur off market, crossings prior to the commencement of normal trading, crossings during the closing phase and the after hours adjust phase and any overnight crossings), and any overseas trades or trades pursuant to the exercise of options over Shares.

**Full Participation** means a degree of participation in the DRP under which all of a Participant's Shares from time to time (subject to the limit imposed by the Maximum Participating Holding, if any) including Shares subsequently acquired by the Participant under the DRP or otherwise, are Participating Shares.

**Listing Rules** means the listing rules of the ASX and any other rules of the ASX that are applicable while the Company is admitted to the Official List of the ASX.

**Maximum Participating Holding** means the number of Shares, if any, determined by the Company from time to time under rule 7.2.

**Minimum Participating Holding** means the number of Shares, if any, determined by the Company from time to time under rule 7.1.

**Partial Participation** means a degree of participation in the DRP under which less than all of a Participant's Shares from time to time (or less than the Maximum Participating Holding (if any) of a Participant's Shares) are Participating Shares.

**Participant** means a Shareholder some or all of whose Shares are Participating Shares.

**Participating Shares** means Shares that a Shareholder has validly specified for participation in the DRP or which are otherwise taken under these Rules to participate in the DRP.

**Pricing Period** means the period determined by the Board (commencing before or after the Dividend Record Date), being a period of not less than 5 Trading Days.

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

**Shareholder** means a registered holder of Shares.

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

**Share Registry** means the share registry that maintains the share register of the Company.

**Trading Day** means a full day (other than a day on which the ASX is closed 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 Interpretation

In these Rules, unless the context requires otherwise:

- (a) headings are for convenience only and do not affect interpretation;
- (b) words importing the singular include the plural and vice versa;
- (c) words importing a gender include any gender;
- (d) other parts of speech and grammatical forms of a word or phrase defined have a corresponding meaning;
- (e) any reference in these Rules to any enactment, part of an enactment or the Listing Rules includes a reference to that enactment, part of enactment or those Listing Rules as from time to time amended, consolidated, re-enacted, replaced and, in the case of an enactment, all regulations and statutory instruments issued under it;
- (f) unless otherwise expressly stated, “including” means “including but not limited to” and “include” and “includes” have corresponding meanings; and
- (g) a reference to a body, whether statutory or not:
  - (i) that ceases to exist; or
  - (ii) whose powers or functions are transferred to another body,is a reference to the body that replaces it or that substantially succeeds to its powers or functions; and
- (h) a reference to dollars or \$ is to Australian currency.