

DIVIDEND

REINVESTMENT PLAN

Dear Shareholder

Welcome to Clarius Group Limited. We at Clarius are very excited about the future for our business and we appreciate your interest and confidence in the Company.

As a valued shareholder, we would like to offer you the opportunity to participate in the Company's Dividend Reinvestment Plan ("Plan").

This booklet contains an overview and detailed terms and conditions of the Plan. It also includes an Application and Variation Notice which shareholders can use to participate in the Plan.

The Plan will provide shareholders who hold fully paid shares with a convenient means of increasing their shareholding in the Company by reinvesting all or part of their dividends by subscribing for additional fully paid ordinary shares.

To participate in the Plan, you must complete the Application and Variation Notice and return it to the Company C/- Registries Limited, PO Box R67, Royal Exchange, Sydney NSW, 1223.

You should study this booklet carefully before deciding whether to participate in the Plan. If in doubt, please contact your legal or financial advisor.

Once again, we would like to thank you for your investment in Clarius Group Limited and look forward to a prosperous future together.

Yours faithfully

A handwritten signature in black ink, appearing to be 'G. Moles', with a stylized flourish at the end.

Geoffrey Moles – Chairman
CLARIUS GROUP LIMITED

Clarius Group Limited
ABN 43 002 724 334

DIVIDEND

REINVESTMENT PLAN

Head Office
Level 14
1 York Street
Sydney NSW 2000
T: (02) 9250 8100
F: (02) 9247 7930
www.clarius.com.au

Overview of Clarius Group Limited Dividend Reinvestment Plan

The Plan provides Shareholders with a convenient method of reinvesting all or part of their dividends in further ordinary Shares in the Company.

Under the Plan, the dividend payable on Shares which you nominate to participate in the Plan is automatically reinvested in ordinary Shares in the Company.

Application and Variation Notice

If you wish to join the Plan, or wish to vary your existing participation in some way, please complete an Application and Variation Notice (Notices are included in the back of this booklet) and return it to the Company's share registry.

Eligibility

Subject to the Terms and Conditions, participation in the Plan is open to any Shareholder being the holder of fully paid ordinary Shares.

The Directors have a discretion to refuse participation in the Plan to any applicant whose address or place of residence is in a country other than Australia and where, in the opinion of the Directors, the laws of Australia or of the other country or any other matter make participation in the Plan illegal, impossible or impracticable.

Date of Effect

An application accepted by the Directors will be effective from the first Record Date for a dividend after the application is received.

Calculation of Allotment and Discount to Market Price

The value of the Shares to be allotted under the Plan will be based on the market price of the Company's Shares. The Directors may determine a percentage, if any, by which the market price of Shares in the Company will be discounted in order to calculate the number of Shares to be issued under the Plan (with the proviso that the percentage may not be more than 10 per cent). The amount of the discount determined by the Directors in relation to the Plan for any dividend payment (if any) will be notified to Australian Stock Exchange Limited at the time the Company's intention to pay a dividend is announced.

Cost to Participants

No brokerage, commission or stamp duty is payable by you in respect of the acquisition of Shares through participation in the Plan.

Shares Allotted under the Plan

All Shares issued and allotted under the Plan are fully paid ordinary Shares and rank equally in all respects with existing fully paid ordinary Shares.

Shares allotted to you under the Plan can themselves in turn be nominated by you for participation in the Plan with respect to subsequent dividends.

The Directors reserve the right for the Company to enter into an underwriting agreement for a number of Shares equal to the amount of the dividend that Shareholders elect not to reinvest in the Company through participation in the Plan.

Stock Exchange Listing

Application will be made to the Australian Stock Exchange Limited for official quotation of the Shares issued under the Plan.

Plan Statement

To keep you informed as to the status of your participation and entitlements under the Plan, you are sent a statement after each dividend payment date giving all relevant details. For the convenience of Shareholders the Plan statement will include details of the number of Shares allotted, the average price and the date of allotment to assist Shareholders with their taxation returns in future.

Degree of Participation

Your participation in the Plan may be either full or partial in relation to the total number of Shares you hold.

Full participation means that the Terms and Conditions of the Plan will apply to your total holding of Shares both now and as your holding varies in the future.

Partial participation means that you may elect that the Terms and Conditions of the Plan will apply either to:

- (a) the number of Shares nominated by you, both now and in the future, until you lodge a subsequent Application and Variation Notice; or
- (b) the number of Shares nominated by you, both now and in the future, and any Shares allotted to you under the Plan, until you lodge a subsequent Application and Variation Notice.

Variation of Participation and Termination

You may vary or terminate your participation in the Plan at any time by completing an Application and Variation Notice and forwarding it to the Company's share registry. An Application and Variation Notice accepted by the Directors will be effective from the first Record Date after the notice is received.

When completing an Application and Variation Notice, you should ensure that you give your name and address exactly as shown on correspondence you receive from the Company, and if your Shares are registered on the Company's Issuer Sponsored Register, quote your Shareholder reference number. If they are registered on the Securities Clearing House Register, quote your holder identification number. Shares acquired under different names or addresses will also be treated as being for separate accounts for the purpose of participation in the Plan and receive separate correspondence from the Company.

Sale of Shares

Shares participating in or acquired under the Plan may be sold at any time after allotment. If you have elected full participation in the Plan and you sell Shares participating in the Plan, those Shares are automatically withdrawn from the Plan on registration of the transfer. If you have elected partial participation and you sell some of your Shares and wish to vary your participation, you should advise the Company by completing an Application and Variation Notice and forwarding it to the Company's share registry.

The Terms and Conditions of the Plan may be amended or added to by the Directors. The Plan may be suspended or terminated at any time by the Directors.

Amendment and Termination of the Plan

The Company does not and cannot provide taxation advice to Shareholders and takes no responsibility for any taxation liabilities of participants.

Participants should obtain their own independent professional tax advice.

Taxation

As a general statement for income tax purposes, dividends reinvested under a Dividend Reinvestment Plan are treated by the Australian Taxation Office in the same manner as dividends received in cash.

Any imputation credit attaching to the cash dividend is also available to Australian resident Shareholders participating in the plan. Shares received by Australian resident Shareholders under the plan will in general, be subject to capital gains tax on disposal. The cost base of the Shares received under the plan will be calculated for capital gains tax purposes on the basis that the Shares are acquired at a cost equal to the cash value of the dividend which is applied in subscribing for the Shares.

Notwithstanding of the above, you are advised to seek your own advice about the plan, its suitability to your circumstances and taxation implications of the plan.

Overseas residents are also advised to make their own enquiries regarding any tax liability in their place of residence.

Terms and Conditions of Clarius Group Limited Dividend Reinvestment Plan

1. Eligibility

1.1 Participation in the Plan is optional and not transferable. Subject to clause 1.2, any Shareholder is eligible to participate in the Plan in respect of Shares which are registered in his or her name in the Register on the Record Date upon the determination by the Directors that a final or interim dividend is payable.

- 1.2 Any Shareholder who has an address or place of residence on the Register in a country other than Australia, and who would otherwise be eligible to participate in the Plan, may not do so if the Directors determine that the participation would be unlawful or, in their absolute discretion, that the Shareholder should be excluded from participation to avoid prospectus requirements of overseas law.
- 1.3 Participation in the Plan is subject to the Terms, all applicable laws, the Listing Rules, the Memorandum and the Articles.

2. Application to Participate

- 2.1 Any Shareholder who is eligible to participate in the Plan may make an application to the Company, in accordance with these Terms, to become a Participant by completing and signing an Application and Variation Notice and sending it to the Company's registered office, Share Registry or such other place directed by the Company from time to time. An Application and Variation Notice must be lodged for each separate Shareholding account and in the case of jointly held Shareholdings must be signed by each of the joint holders.
- 2.2 The Directors will determine the result of all applications for participation in the Plan and may, in their absolute discretion, accept or reject an application. If the Directors reject an application for participation they will inform the relevant Shareholder of their determination within a reasonable time of receipt of the application.
- 2.3 All accepted applications to participate in the Plan will be effective as to dividends paid or payable in relation to the first Record Date after their receipt.

3. Level of Participation

- 3.1 Participation in the Plan may be full or partial. Accordingly, a Shareholder may specify in the Application and Variation Notice the number of Shares he or she wishes to participate in the Plan.
- 3.2 Where a Shareholder elects to or is deemed to have all his or her Shares participate in the Plan, subject to **clause 4.3** the Terms will apply to the dividends paid or payable in respect of all Shares registered in his or her name from time to time on the Register.
- 3.3 Where a Shareholder elects to have some of his or her Shares participate in the Plan, the Shareholder may elect that the Terms apply to the dividends paid or payable:
- a) on the Shares registered in his or her name on the Register which he or she nominated in the relevant Application and Variation Notice
 - b) on the Shares registered in his or her name on the Register which he or she nominated in the relevant Application and Variation Notice together with any Shares allotted to him or her under the Plan.
- 3.4 If a Participant's Application and Variation Notice nominates a number of Shares for participation in the Plan that is greater than the number of Shares registered in his or her name, the Terms will apply to the dividends paid or payable on the lesser number of those Shares.

3.5 If a Participant's Application and Variation Notice does not nominate the number of Shares he or she wishes to participate in the Plan, the Participant's application will be deemed by the Directors to have been made for full participation in the Plan and will be accepted on that basis.

4. Operation of Plan

4.1 Once an application for participation in the Plan is accepted by the Directors, subject to **clause 4.3** all cash dividends that are paid or payable to the Participant (if any) in respect of his or her Participating Shares will be applied by the Company on the Participant's behalf to subscribe for Shares that will be allotted and issued to the Participant in accordance with **clause 5**.

4.2 All Shares issued and allotted to a Participant under the Plan will rank equally with all existing ordinary Shares in the Company and will be recorded on the Register in the Participant's name and in the same Shareholding account as that which is nominated on the relevant Application and Variation Notice.

4.3 The Plan will not operate if the allotment of Shares under the Plan will breach any applicable law, the Listing Rules, the Memorandum or the Articles.

5. Calculation of Allotment

5.1 In respect of each dividend the Company will, in respect of each Participant:

- a)** calculate the value of the dividend on the participating Shares by multiplying the number of such participating Shares by an amount equal to the rate of dividend applying to Shares;
- b)** determine the number of Shares, valued in accordance with the provisions of the Plan, which most nearly equal (but do not exceed) the value of the dividend (less any withholding tax where applicable);
- c)** subject to **clause 5.2**, allot that number of Shares to the Participant's holding.

5.2 Where the number of Shares determined in accordance with **clause 5.1(b)** includes a fraction of a Share, the Directors may round up the number of Shares to be allotted to the Participant to the nearest whole Share.

5.3 The value of the Shares to be allotted under the Plan for each dividend will be the Market Price. The Directors may, in their absolute discretion, from time to time resolve to discount the value of the Shares by an amount not exceeding 10%.

5.4 The Company will not issue Shares at a price below par value. If the value determined by **clause 5.3** is less than par, the Plan will not operate for that dividend and a cash dividend will be paid to all Participants.

6. Statements

6.1 The Company will send each Participant a statement after the allotment of any Shares pursuant to the Plan. So far as it is relevant to the Participant, the statement will specify:

- a)** the total number of Shares registered in the Participant's name at the Record Date;
- b)** the amount of dividend paid or payable in respect of ordinary Shares in the Company which did not participate in the Plan;
- c)** the amount of withholding tax retained by the Company (if any) where the Participant is a nonresident or the Company is required or entitled to retain any other amount;
- d)** the total amount of Shares which the Participant has nominated to participate in the Plan;
- e)** the total amount of dividend payable to the Participant in respect of the Participating Shares at the Record Date;
- f)** the number of ordinary Shares in the Company issued and allotted to the Participant in respect of that Record Date
- g)** the date on which the issue of those Shares was made.

7. Variation to Level of Participation

7.1 At any time a Participant may apply to the Directors to increase or decrease the number of Shares participating in the Plan by completing, signing and sending an Application and Variation Notice to the Company's registered office, Share Registry or such other place directed by the Company from time to time.

7.2 The Directors will determine the result of all applications for variation of participation in the Plan and may, in their absolute discretion, accept or reject any such application. If the Directors reject an application for variation of participation they will inform the relevant Shareholder of the rejection within a reasonable time of receipt of the application.

7.3 All accepted applications to vary the level of participation in the Plan will be effective as to dividends paid or payable in relation to the first Record Date after their receipt.

8. Termination of Participation

8.1 At any time a Participant may give notice terminating his or her participation in the Plan by completing, signing and sending an Application and Variation Notice to the Company's registered office, Share Registry or such other place directed by the Company from time to time.

8.2 Subject to this clause, all Application and Variation Notices giving notice of termination will be effective as to dividends paid or payable in relation to the first Record Date after its receipt. The Company will give a notice to any such Participant confirming the termination within a reasonable time of receipt of the relevant Application and Variation Notice.

8.3 If a Participant dies, becomes bankrupt or (in the case of a body corporate) is placed in liquidation or provisional liquidation, participation will terminate when:

- a)** in the case of death, the Company receives written notice of the Participant's death;
- b)** in the case of bankruptcy, the Company receives written notice of the Participant's bankruptcy from the Participant or his or her trustee in bankruptcy; and

c) in the case of liquidation or provisional liquidation, the Company receives written notification of that fact.

8.4 If a joint Participant dies, becomes bankrupt or (in the case of a body corporate) is placed in liquidation or provisional liquidation, the participation of the other joint Participant(s) in the Plan, in respect of the Shares subject to the joint participation, will terminate at the time of termination of the first mentioned joint Participant's participation.

9. Additional Acquisitions

9.1 If a Participant acquires additional Shares after lodging an Application and Variation Notice for full participation of his or her existing Shares in the Plan, and the newly acquired Shares as at the time of registering the transfer are to be held in the same Shareholder's account, the newly acquired Shares will be deemed to participate in the Plan together with the existing Shares unless an Application and Variation Notice is received by the Company to the contrary.

9.2 If a Participant acquires additional Shares after lodging an Application and Variation Notice for partial participation of his or her existing Shares in the Plan, and the newly acquired Shares as at the time of registering the transfer are to be held in the same Shareholder's account, the newly acquired Shares will not participate in the Plan unless an Application and Variation Notice is received by the Company to the contrary.

10. Disposal

10.1 If a Participant disposes of all of his or her Shares without giving the Company notice of termination of his or her participation in the Plan and the Participant is not registered as the holder of any Shares at the next following Record Date, the Participant will be deemed to have terminated his or her participation in the Plan on the date on which the Company registered the transfer or instrument of disposal of the Shares.

10.2 If a Participant who has elected to partially participate in the Plan disposes of a number of Shares that is less than the number of his or her Shares that do not participate in the Plan, the disposed Shares will be deemed to be the Shares not participating in the Plan unless an Application and Variation Notice to the contrary is completed, signed and sent to the Company's registered office, Share Registry or such other place directed by the Company from time to time prior to the next following Record Date.

11. Stock Exchange Quotation

The Company will promptly apply to ASX for official quotation of all Shares allotted pursuant to the Plan.

12. Participant's Costs

No brokerage, commission or other transaction costs (including stamp duty) will be payable by a Participant in respect of any Shares issued and allotted under the Plan.

13. Directors' Powers

The Plan will be administered by the Directors and any determination made by the Directors in connection with the Plan or the Terms will be final and binding. The Directors will have the power to:

- a) resolve conclusively any disputes or disagreements relating to the Plan, the Terms or their interpretation in any way they think appropriate;
- b) determine appropriate procedures for the administration of the Plan consistent with the Terms;
- c) waive strict compliance with any of the Terms;
- d) amend or add to the Terms by giving written notice to the Shareholders prior to a record date;
- e) delegate any of the Director's powers or discretions arising under the Plan to one or more persons for such period and on such conditions as they may determine.

14. Implementation, Modification, Suspension, Reactivation and Termination of Plan

14.1 The Directors may at any time implement, modify, suspend, reactivate or terminate the Plan. They will give written notice to the Shareholders of the implementation, modification, suspension, reactivation or termination of the Plan as soon as reasonably practicable after doing so. The accidental omission to give notice of implementation, modification, suspension, reactivation or termination to any Shareholder or the nonreceipt of any such notice by a Shareholder will not invalidate or have any other effect upon the implementation, modification, suspension, reactivation or termination.

14.2 The Directors may resolve to recommence the suspended Plan at any time on such conditions as they think fit.

14.3 Without limiting their power under **clause 14.2**, the Directors may also direct that Shares held in Shareholding accounts which had been nominated for full participation or partial participation in the Plan prior to the date of suspension shall, with effect from the date of recommencement, participate in the Plan in accordance with the previous nominations of the Shareholders concerned. The date and conditions of the recommencement (including any directions as to Shares recommencing to participate in the Plan) shall be notified to Shareholders.

14.4 Upon modification of the Plan, Participants will continue to participate under the modified Plan unless an Application and Variation Notice to the contrary is received by the Company.

14.5 Upon termination of the Plan, each Participant will receive the amount of all dividends that are available for reinvestment in relation to their Participating Shares in respect of which no Shares have been issued under the Plan at the date of termination.

15. Governing Law

These Terms shall be governed by the laws of New South Wales.

16. Interpretation

In these Terms, unless the context otherwise requires:

- a) words importing:
 - i) the singular include the plural and vice versa; and
 - ii) any gender includes the other gender; and
- b) if a word or phrase is defined cognate words and phrases have corresponding definitions.

17. Definitions

“Application and Variation Notice”

The form prescribed from time to time by the Directors for applications for participation in the Plan and notices of variation of participation in the Plan.

“Articles”

The Company’s Articles of Association as amended from time to time.

“ASX”

The Australian Stock Exchange Limited.

“Company”

Clarius Group Limited.

“Directors”

The Directors of the Company from time to time acting as a board.

“Listing Rules”

The listing rules of ASX.

“Market Price”

The weighted average market price per Share of all Shares traded on ASX during the Price Determination Period rounded up or down to the nearest cent, or if no Shares are traded during the Price Determination Period, the last sale price recorded on ASX prior to commencement of the Price Determination Period rounded up or down to the nearest cent.

“Memorandum”

The Memorandum of Association of the Company as amended from time to time.

“Participant”

A Shareholder whose application to participate in the Plan has been accepted by the Directors in accordance with clause 2.2.

“Participating Shares”

Shares a member has elected to participate in the Plan or which are deemed to participate in the Plan pursuant to the Terms.

“Plan”

The Company’s Dividend Reinvestment Plan conducted on these Terms.

“Price Determination Period”

The period commencing on the trading day following the Record Date and ending five trading days after that Record Date (in relation to a dividend).

“Record Date”

The date the Register is closed for the purpose of determining entitlement to dividends.

“Register”

The register of members of the Company.

“Share Registry”

The share registry identified on the Application and Variation Notice from time to time.

“Shares”

Fully paid ordinary Shares in the capital of the Company.

“Shareholder”

A registered holder of Shares.

“Terms”

These terms and conditions as amended from time to time.

CLARIUS GROUP LIMITED

ABN 43 002 724 334

APPLICATION AND VARIATION NOTICE

If you wish to apply for or vary your participation in the Clarius Group Limited Dividend Reinvestment Plan at any time, please complete this Notice and send it to the Company's share registry at the return address shown in 'D' below.

A. SHAREHOLDER DETAILS

PLEASE PRINT DETAILS EXACTLY AS SHOWN ON CORRESPONDENCE FROM THE COMPANY

Mr/Mrs/Miss/Ms

Name _____

Address _____

City/Suburb _____ State _____ Postcode _____

Country (if other than Australia) _____

Telephone number during business hours (optional) _____

Issuer Sponsored Shareholder's Reference Number or Uncertificated Shareholder's SCH Holder Identification Number (HIN)

B. PARTICIPATION OR TERMINATION

If FULL Participation is required indicate by ticking the box DO NOT answer any further questions.

If PARTIAL Participation is required insert the number of Shares you would like to participate in the DRP.
The dividend on the balance will be paid in cash.

If TERMINATION of participation in the DRP is required, indicate by ticking the box.

C. THIS NOTICE IS NOT VALID UNLESS IT IS SIGNED

We agree to be bound by the Terms and Conditions of the Clarius Group Limited Dividend Reinvestment Plan.

Signature/s of Shareholders

- 1 If the Shareholding is in joint names, each shareholder must sign; or
- 2 If signed by Attorney, the Attorney must state that he/she has no notice of revocation and the Power of Attorney document must have been noted by the Registry; or
- 3 Application by a Company must be executed in accordance with section 127 of the Corporations Act 2001

Director

Director / Secretary

Dated this _____ day of _____ 20 _____

D. RETURN ADDRESS

If required, this Notice should be completed, signed and returned to:

Clarius Group Limited
C/- Registries Limited
PO Box R67, Royal Exchange, Sydney NSW 1223, Australia

Tel: (02) 9290 9600
Fax: (02) 9279 0664

CLARIUS GROUP LIMITED

ABN 43 002 724 334

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Director

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