



DIVIDEND REINVESTMENT PLAN

Toll Holdings Limited
ABN 25 006 592 089



1. Summary of Dividend Reinvestment Plan Rules

Important notice

The following information is a summary of the rules of the Dividend Reinvestment Plan (**DRP**).

It is intended as a summary only and does not purport to be complete or comprehensive, and does not purport to summarise all information that an investor should consider when deciding whether to participate in the DRP.

You are urged to seek your own independent professional advice about the financial and taxation implications for you of participating in the DRP given your specific circumstances.

Unless otherwise indicated, terms defined in the Rules of the DRP have the same meaning when used in this booklet.

How does the Dividend Reinvestment Plan (DRP) work?

The DRP enables you, as a shareholder in Toll Holdings Limited (the **Company**), to reinvest all or part of any Dividend payable on your Shares in additional fully paid ordinary shares in the Company instead of receiving the Dividend in cash. The Company may, in its discretion, determine whether these Shares are to be issued, or purchased on market (or a combination of both).

Your participation in the DRP is entirely optional and voluntary.

If you apply to reinvest your Dividends, additional Shares in the Company will be Allocated to you immediately following the Dividend Payment Date. You will receive a DRP statement setting out the number of Shares Allocated to you, the price per Share and other information relevant to the Dividend.

Am I eligible to participate?

All holders of fully paid ordinary shares in the Company who are resident in, or whose address on the register of shareholders is in, Australia or New Zealand will generally be entitled to participate in the DRP.

At present, if you are a Shareholder with an address outside of Australia or New Zealand you are not entitled to participate in the DRP because the Company has determined that it is not practicable to extend the DRP outside of Australia or New Zealand. Similarly, at present, if you hold the Shares on behalf of other persons who are resident outside Australia or New Zealand you will

not be entitled to participate in the DRP. Instead, these Shareholders will receive all Dividend entitlements in cash.

How do I participate in the DRP?

If you are an existing DRP participant who is resident in, or your address on the register of shareholders is in, Australia or New Zealand, no action is required by you unless you would like to change your current level of participation.

If you are not an existing DRP participant and you are resident in, or your address on the register of shareholders is in, Australia or New Zealand, and you wish to participate, please contact the Company's share registry:

The Share Registrar
Toll Holdings Limited
Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
Abbotsford Vic 3067
Enquiries (within Australia): 1300 850 505
(outside Australia): +61 3 9415 4000

Alternatively you can log on to Computershare's Investor Centre at www.investorcentre.com. You will need to have your SRN or HIN (as applicable) and postcode.

Completed Participation Notices should be returned to the Share Registry of the Company at the following address:

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne Vic 3001

For more information, the DRP booklet is available from the Company's Share Registry, or alternatively on the Company's website at www.toll.com.au. The DRP booklet contains the DRP Rules and a summary of the DRP.

When will my participation begin?

Your participation in the DRP will, in general, begin with the first Dividend Payment after receipt of your Participation Notice. If your Participation Notice is received after a Dividend Record Date, it will not be effective until the Company's next Dividend, unless the Company determines otherwise.

If I participate, do all my Shares participate in the DRP?

It's up to you. If you wish to participate in the DRP you can elect to participate in respect of all of the Shares registered in your name or elect to participate in respect of a specified number of the Shares registered in your name. Accordingly,

you have two options when completing your Participation Notice:

(1) Full Participation

If you elect Full Participation, Dividends on all of your Shares will be reinvested in acquiring new Shares. If you acquire any additional Shares in the future, any Dividends on those Shares will also be reinvested in this way.

(2) Partial Participation

If you elect Partial Participation, you nominate a number of your Shares which participate in the DRP. Only the Dividends on those Shares which you nominate will be reinvested in acquiring new Shares. You will continue to receive cash Dividends on the rest of your Shares in the normal way.

If you acquire additional Shares in the future, those Shares will not participate in the DRP unless you lodge a new Participation Notice increasing the number of Shares you want to participate in the DRP.

If you hold less Shares than the number of Shares you have specified in the Participation Notice, then the Dividends on the Shares that you actually hold will be reinvested.

If a Participation Notice does not clearly indicate the level of participation in the DRP, it will be deemed to be an application for Full Participation.

What happens if I have more than one shareholding?

If you have more than one shareholding in the Company you will need to lodge a separate Participation Notice for each shareholding registered under a different name or each shareholding bearing a different Shareholder Reference Number or Holder Identification Number.

What type of Shares will I receive under the DRP?

Under the DRP, you will be allocated fully paid ordinary shares in the Company. These may be existing Shares transferred to you or newly issued Shares.

All Shares that are newly issued under the DRP will, from the date of Allocation, be listed on the ASX and will rank equally in all respects with existing Shares unless the Company determines that they are not to participate in the next Dividend paid and/or any offer of Shares open when the Shares are issued under the DRP.

At what price will the Shares be Allocated under the DRP?

The Shares will be Allocated to you at the “Average Market Price of Shares” on the ASX during the “Pricing Period”. In calculating this Allocation Price:

- (1) the “Average Market Price of Shares” is the arithmetic average of the daily volume weighted average price as determined by the Company; and
- (2) the Pricing Period is a period of not less than 5 ASX Trading Days commencing before, on or after the relevant Dividend Record Date as determined by the Company.

The Company may determine in relation to all or any Dividends paid, that Shares will be Allocated under the DRP subject to a Discount below the “Average Market Price of Shares”.

The Company will make an announcement to the ASX in relation to the Pricing Period and whether there will be a Discount at the relevant time of each dividend.

How is my Share entitlement calculated and how are Shares Allocated?

Following the payment of a Dividend by the Company, the Dividend payable on your Participating Shares will be paid into a DRP account that the Company will establish and maintain for you.

The Company will then determine the maximum whole number of Shares that will be Allocated to you under the DRP, by dividing the amount in your DRP account by the Allocation Price (determined as set out above).

In the case of fractional entitlements, the number of Shares that you will be entitled to under the DRP will be rounded down to the nearest whole number. Any residual balance in your DRP account will be aggregated with any further Dividend Payments credited to your DRP account in the future. No interest will accrue in respect of any balance in your DRP account.

If any withholding tax is payable in respect of the Dividend, or there is any other amount which the Company must retain (for example, if a shareholder has not quoted a tax file number) these amounts will be deducted from the Dividend available to subscribe for or acquire additional Shares.

Can I sell Shares that participate in the DRP or that are Allocated to me under the DRP?

If you elect for “Full Participation” and then sell some of your Shares, the Dividends on your remaining Shares will continue to be reinvested under the DRP.

If you elect for “Partial Participation” and then sell some of your Shares, the number of Shares sold will be deemed firstly to be non-Participating Shares and, once they are all deemed to be sold, then secondly Participating Shares under the DRP.

How do I change my participation or withdraw from the DRP?

You may vary your level of participation in the DRP or withdraw from the DRP at any time by giving a Participation Notice to that effect to the Company’s share registry.

You can change your participation by logging on to Computershare’s Investor Centre at www.investorcentre.com. You will need to have your SRN or HIN (as applicable) and postcode. Alternatively, you can contact the Company’s share registry:

The Share Registrar
Toll Holdings Limited
Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
Abbotsford Vic 3067
Enquiries (within Australia): 1300 850 505
(outside Australia): +61 3 9415 4000

The variation or termination will be effective in relation to any Dividends with a Dividend Record Date that occurs after your Participation Notice is received. If your Participation Notice is received after a Dividend Record Date, it will not be effective until the Company’s next Dividend, unless the Board determines otherwise.

What happens to the carry forward balance in my DRP account if I end my participation in the DRP or sell my Shares or the Company terminates the DRP?

If the DRP is terminated by the Company or you cease to participate in the DRP for whatever reason and there is a positive balance in your DRP account at that time, the Company will have the discretion to pay that amount to you or to donate it to a charitable organisation. At this time, the Company has determined that any positive residual balance in a Participant’s DRP account will be paid to the Participant.

Can the DRP be varied, suspended or terminated?

The Rules of the DRP may be varied by the Company at any time by notice on the Company's website and by notice to ASX.

If the Rules of the DRP are varied you will continue to participate under the DRP pursuant to your prior Participation Notice. The Rules in their varied form will continue to apply unless you vary or terminate your participation in the DRP by validly submitting a Participation Notice to that effect (see previous).

The Company may also suspend or terminate the operation of the DRP at any time by notice on the Company's website and by notice to ASX.

If the DRP is suspended, any election as to participation in the DRP will be suspended and all Shares will be deemed to be non-Participating Shares for the purpose of any Dividend paid while the DRP is suspended. During this period you will receive your Dividends in the form of cash.

The DRP may be reinstated following a suspension by notice on the Company's website and by notice to ASX. Unless otherwise determined by the Company, upon re-commencement of the DRP, all prior elections are re-instated and will continue to apply unless you provide a Participation Notice which validly varies or terminates your participation prior to the next Dividend Record Date after reinstatement of the DRP.

Are there any minimum or maximum levels for participation?

The Company may, from time to time by notification on the Company's website and by notice to ASX, set minimum or maximum participation limits (whether in respect of a particular Dividend or Dividends generally) which will limit the number of Shares that you may nominate to participate in the DRP.

The Company will announce to the ASX any maximum or minimum participation limits that are to apply.

What happens if I exceed any maximum or minimum participation limit?

Details of any maximum or minimum participation limits will be announced to the ASX (and will be available from the Company's share registry).

If the number of your Participating Shares exceed any maximum limit set by the Company, you are deemed to have elected to participate to that limit. Any of your Shares in excess of the limit will not participate in the

DRP and you will receive cash Dividends in the usual way in respect of those Shares;

If the number of your Shares which are participating in the DRP is less than any Minimum Participating Holding set by the Company, you will be deemed to have no Shares participating in the DRP. Instead you will receive cash Dividends on all of your Shares.

What is the cost of participation?

It will cost you nothing to participate. No brokerage, commission, stamp duty or other transaction costs will be payable by Participants in respect of Shares Allocated under the DRP.

Will I receive a statement?

After each Dividend Payment Date you will receive a DRP statement. The DRP statement will contain relevant information, including:

- the number of your Shares participating in the DRP held at the Dividend Record Date;
- the amount of the relevant Dividend Payment in respect of the Participating Shares;
- the amount (if any) in your DRP account immediately prior to the payment of the relevant Dividend;
- the number of Shares allotted under the DRP in relation to that Dividend and the date of the Allocation of those Shares;
- the residual cash balance in your DRP account carried forward as a result of any rounding due to fractional entitlements;
- the total holding of Shares after the Allocation; and
- the information required for completing your tax return regarding the Dividend paid.

What are the taxation implications of participating in the DRP?

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. The Company cannot provide taxation advice for individual shareholders and nor can the Company 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 DRP.

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

Income Tax	Shares received under the DRP are treated as dividends for taxation purposes on the same basis as cash dividends.
Dividend Imputation	Where the Company 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 the Company 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.
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).

Enquiries

A copy of the DRP Rules are enclosed in this booklet. A copy of the most recent annual report is available on request from the Company or on the Company's website at www.toll.com.au

If you wish to enquire further about the DRP, please contact the Company's share registry:

The Share Registrar
Toll Holdings Limited
Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
Abbotsford Vic 3067
Enquiries (with Australia): 1300 850 505
(outside Australia) +61 3 9415 4000

Under the Corporations Act, a prospectus is not required to be lodged or registered in relation to Shares to be issued under the DRP described in this booklet. If you are in any doubt as to whether to participate in the DRP, you should seek your own independent professional advice.

2. Dividend Reinvestment Plan Rules

1. Definitions and interpretation

1.1 The meanings of the terms used in this document are set out below.

Term	Meaning
Allocated Shares	the Shares allocated to the Participant under the DRP;
Allocated or Allocation	(a) the issue of new Shares to; or (b) the acquisition of Shares for, a Participant under the DRP, as the case may be;
Allocation Price	in respect of an Allocation, the price at which those Shares are Allocated, calculated in accordance with rule 10;
ASX	ASX Limited (ACN 008 624 691) or the stock market operated by ASX Limited (as the case may be);
Average Market Price	the arithmetic average of the daily volume weighted average price for Shares traded on ASX 'On-market' (as that term is defined in the ASX Market Rules) during the relevant period, excluding: (a) special crossings, overseas trades, trades pursuant to the exercise of options, overnight trades and any other trades that are excluded from an ASX volume weighted average price calculation; and (b) any trades that the Company determines to exclude on the basis that the trades are not fairly reflective of natural supply and demand;
Board	the board of directors of the Company ;
Company	Toll Holdings Limited (ABN 25 006 592 089);
Constitution	the constitution of the Company as varied from time to time;
Discount	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	any dividend per Share announced and payable by the Company;
Dividend Payment	for a Shareholder, the relevant Dividend multiplied by the number of Shares held by that Shareholder as at the relevant Dividend Record Date, subject to rule 20.4 and less any resident and/or non resident withholding tax or any other amounts the Company is entitled or required to deduct from the payment;

Term	Meaning
Dividend Payment Date	the date on which the Dividend is payable, as announced by the Company;
Dividend Record Date	the date and time, as determined by the Company, at which a person holds or is taken to hold Shares for the purpose of determining the entitlement of Shareholders to Dividends;
DRP	the Company's dividend reinvestment plan to which these Rules apply, as varied from time to time;
DRP account	the account established and maintained by the Company for each Participant under the DRP;
Eligible Shareholder	has the meaning given in rule 3;
Full Participation	has the meaning given in rule 7.2;
Listing Rules	the listing rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the official list of ASX, except to the extent of any waiver by ASX;
Maximum Participating Holding	the number of Shares (if any) determined by the Company from time to time under rule 8.2;
Minimum Participating Holding	the number of Shares (if any) determined by the Company from time to time under rule 8.1;
Partial Participation	has the meaning given in rule 7.3;
Participating Shares	Shares which a Participant has validly elected for participation in the DRP or which are otherwise taken under these Rules to participate in the DRP;
Participant	a Shareholder some or all of whose Shares are Participating Shares;
Participation Notice	a form, whether written or electronic, used to apply for, vary or terminate participation in the DRP, as approved by the Company from time to time;
Pricing Period	in respect of a Dividend, the period determined by the Company, being a period of not less than 5 Trading Days (commencing before, on or after the relevant Dividend Record Date, as determined by the Company);
Related Body Corporate	in relation to a body corporate, another body corporate that is related to the first-mentioned body by virtue of section 50 of the Corporations Act 2001 (Cth);

Term	Meaning
Requirements	the Corporations Act 2001 (Cth), the Listing Rules and the operating rules of ASX, including the ASX Market Rules, the ACH Clearing Rules and the ASTC Settlement Rules;
Rules	these rules of the DRP as varied from time to time;
Share	a fully paid ordinary share in the capital of the Company;
Shareholder	a registered holder of Shares at a relevant Dividend Record Date;
Share Registry	the share registry which maintains the Company's share register;
Trading Day	a full day on which Shares are quoted, and not suspended from quotation or made subject to a trading halt on ASX, provided that a day on which ASX is closed or on which trading on ASX is suspended generally is not a Trading Day.

1.2 In these Rules headings are for convenience only and do not affect interpretation and unless the context requires otherwise:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined have a corresponding meaning;
- (d) any reference in these Rules to any enactment, part of an enactment, the Listing Rules, the ASX Market Rules, the ACH Clearing Rules or the ASTC Settlement Rules includes a reference to that enactment, part of that enactment, those Listing Rules, ASX Market Rules, ACH Clearing Rules or ASTC Settlement Rules as from time to time amended, consolidated, re-enacted or replaced and, in the case of an enactment, all regulations and statutory instruments issued under it;
- (e) a reference to a body, whether statutory or not:
 - (1) which ceases to exist; or
 - (2) whose powers or functions are transferred to another body,
 is a reference to the body which replaces it or which substantially succeeds to its powers or functions;
- (f) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document;

- (g) a reference to dollars or \$ is to Australian currency;
- (h) unless otherwise determined by the Company or specified below, a reference to a price is to the relevant dollar amount rounded to 4 decimal places; and
- (i) all references to time are to Melbourne time.

2. Commencement and period of operation of the DRP

- 2.1 The DRP and these Rules will commence operation on such date as the Company in its sole discretion determines.

3. Eligibility to participate

- 3.1 The Company may from time to time invite Shareholders to participate in the DRP.
- 3.2 Participation in the DRP is subject to these Rules.
- 3.3 Participation in the DRP by Eligible Shareholders:
- (a) is optional and voluntary;
 - (b) is not transferable; and
 - (c) may be varied or terminated at any time in accordance with rule 14.
- 3.4 Subject to rules 3.5 and 3.6, an Eligible Shareholder is, in respect of a particular Dividend Record Date, a person who, at that Dividend Record Date, was recorded in the Company's share register as a registered holder of at least the Minimum Participating Holding (if any) and whose address in the Company's share register at the relevant Dividend Record Date:
- (a) is in Australia or New Zealand; or
 - (b) is in a jurisdiction in which the Company is satisfied that the offer and issue or transfer of Shares under the DRP is lawful and practicable,
- provided that the Company may determine that:
- (c) a Shareholder, or a class of Shareholders, are not Eligible Shareholders if they are, or hold Shares on behalf of other persons who are, resident outside the jurisdictions mentioned in paragraphs (a) and (b) above; and
 - (d) a Shareholder, or a class of Shareholders, are Eligible Shareholders notwithstanding that they are resident outside the jurisdictions mentioned in paragraphs (a) and (b) above.

- 3.5 The Company is entitled to make a final determination as to whether or not any particular Shareholder is an Eligible Shareholder for the purposes of these Rules, and to change any such determination, as and when it sees fit. In making this determination, the Company may consider, among other things, whether such participation would or may be impracticable, impossible or illegal and any actual or anticipated inconvenience or expense in allowing, or investigating the possibility of allowing, such participation.
- 3.6 The Company has the discretion to refuse to accept any person's Shares for participation in the DRP and to suspend or withdraw any person's Shares from participation (including declining to issue or transfer or reducing the issue or transfer of Shares under the DRP to a Participant) if the Company considers that the participation of those Shares might:
- (a) breach any law of Australia including the Foreign Acquisitions and Takeovers Act 1975 (Cth), the Listing Rules or the Constitution; or
 - (b) prejudice the effective operation of the DRP; or
 - (c) be undesirable or impractical.
- 3.7 It is the responsibility of each Shareholder to obtain any necessary approvals to enable that Shareholder to participate in the DRP.

4. Multiple holdings

- 4.1 Where an Eligible Shareholder has more than one holding of Shares:
- (a) each holding will be treated as separate for the purposes of the DRP, such that a separate Participation Notice must be lodged with respect to each separate holding that is to participate; and
 - (b) these Rules will apply as if each such holding were held by a separate Participant, unless the Company determines otherwise.
- 4.2 If Shares are jointly held by two or more Eligible Shareholders, all joint holders of such Shares must sign a single Participation Notice 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.

5. Broker, trustee or nominee accounts

5.1 If:

(a) a shareholding account appearing in the Company's share register relates to a:

- (1) broker's clearing account;
- (2) trustee; or
- (3) nominee,

and

(b) the broker, trustee or nominee notifies the Company:

- (1) that the relevant Shares are held for a number of different persons; and
- (2) specifies the number of Shares held for each of such persons as at a particular Dividend Record Date (although the names of such persons need not be specified),

then each such holding shall, as at that Dividend Record Date, be taken to represent a separate Shareholder for the purpose of the Minimum Participating Holding (if any) and the Maximum Participating Holding (if any), and these Rules will be read and interpreted accordingly.

6. Application to participate

6.1 Subject to the discretion of the Company, an application to participate in the DRP must be made by submitting a Participation Notice in accordance with rule 19.

An Eligible Shareholder's participation in the DRP will take effect in accordance with rule 19.2.

6.2 A Participation Notice validly submitted or otherwise accepted by the Company remains in effect until:

- (a) the Participant varies or terminates participation in the DRP under these Rules;
- (b) the Company terminates the DRP under rule 16; or
- (c) the Participant ceases to be an Eligible Shareholder under rule 3, in which case the Participation Notice will become effective again if and at such time as the Shareholder recommences to be an Eligible Shareholder.

7. Extent of participation

7.1 Participation may be either full or partial. A Participation Notice must specify whether the Shareholder has elected Full Participation or Partial Participation, and if Partial Participation is elected, the Participation Notice must clearly specify the number of Shares that are to be Participating Shares.

7.2 Full Participation means that all Shares registered in the Participant's name from time to time (subject to the Maximum Participating Holding (if any)) are Participating Shares. Where a Shareholder has elected Full Participation, all Shares subsequently acquired and held by that Participant (whether under the DRP or otherwise) will be Participating Shares, subject to:

- (a) the Requirements;
- (b) any later Participation Notice submitted by that Participant; and
- (c) the Maximum Participating Holding (if any).

7.3 Partial Participation means that only the number of Shares specified as participating in the Participation Notice by the Shareholder are Participating Shares (subject to 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 Shares, the DRP applies to the lesser number of Shares (and the Participant is deemed to have lodged a Participation Notice to this effect for the relevant Dividend).

This means that, where a Shareholder has elected 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 submits a further Participation Notice in accordance with rule 14.

7.4 If a Participation Notice does not, in the opinion of the Company, clearly indicate the level of participation in the DRP, it will be deemed to be an application for Full Participation.

7.5 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 clauses 7.2, 7.3 or 7.4.

8. Minimum Participating Holding and Maximum Participating Holding

8.1 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 notification on the Company's website and by notice to ASX.

- 8.2** 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 notification on the Company's website and by notice to ASX.
- 8.3** To the extent that a Participation Notice 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 exceed that limit), for so long as the Maximum Participating Holding applies:
- (a) the number of Participating Shares for that Participant for the purposes of these Rules is deemed to be the Maximum Participating Holding; and
 - (b) any Shares specified in the Participation Notice as Participating Shares in excess of the Maximum Participating Holding 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.
- 8.4** To the extent that a Participation Notice has specified a number of Participating Shares less than a prevailing Minimum 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 the Minimum Participating Holding applies:
- (a) the number of Participating Shares for that Participant for the purposes of these Rules is deemed to be zero; and
 - (b) any Shares specified in the Participation Notice as Participating Shares 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.

9. Reinvestment of Dividends and residual balances

- 9.1** Each Dividend Payment 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** A Dividend payable in respect of Participating Shares is not available for reinvestment under the DRP to the extent that the Company is entitled to and does retain

or otherwise deals with the Dividend in accordance with its Constitution or any legal requirements (including withholding tax).

- 9.3** The Company will establish and maintain a DRP account for each Participant. In respect of each Dividend payable to a Participant, the Company will:
- (a) determine the Dividend Payment in respect of that Participant's Participating Shares;
 - (b) credit the amount in 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 which 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 of and in the name of the Participant, subscribe for or purchase the number of Shares determined under rule 9.3(c) and debit the Participant's DRP account with the total of the price for the Allocated Shares; and
 - (e) retain in the Participant's DRP account, without interest and on the terms set out in these Rules, any cash balance remaining (rounded down to the nearest cent) unless and until the cash balance is applied in accordance with these Rules.
- 9.4** Subject to rule 9.5, any residual balance in a Participant's DRP account will be aggregated with any further Dividend Payment credited to the DRP account.
- 9.5** Where:
- (a) the DRP is suspended or terminated by the Company pursuant to these Rules; or
 - (b) the Participant ceases to participate in the DRP for whatever reason,
- any positive residual balance in the Participant's DRP account at that time will be either:
- (c) paid to the Participant; or
 - (d) donated to a charitable organisation,
- as determined by the Company.

10. Price of Shares

- 10.1** Shares are Allocated under the DRP at the Allocation Price, which is the Average Market Price of Shares during the Pricing Period, less the Discount (if any) determined by the Company. The determination by the Company of the Allocation Price is binding on all Participants.
- 10.2** 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.
- 10.3** 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 on the Company's website and to ASX at any time.

11. Allocation of Shares

- 11.1** The Company may, in its discretion, either:
- issue new Shares; or
 - cause existing Shares to be acquired for transfer to Participants; or
 - undertake any combination of the options above, to satisfy the Company's obligations under these Rules.
- 11.2** If the Company decides to cause the transfer of Shares to Participants, those Shares may be acquired in such manner as the Company considers appropriate.
- 11.3** 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:
- the next Dividend paid; and
 - any offer of Shares open when the Shares are issued under the DRP.
- 11.4** Shares will be Allocated within the time required by ASX.
- 11.5** Shares Allocated 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 which the Company determines.
- 11.6** Where the Shares Allocated pursuant to the DRP are not quoted on ASX at the time the Allocation is effected, the Company will, at its own cost, apply (or procure

the application) for quotation of those Shares on ASX within the time required by the Listing Rules.

12. DRP statements

- On, or as soon as practicable after, each Dividend Payment Date, the Company must forward to each Participant a statement detailing:
- the number of the Participant's Participating Shares as at the relevant Dividend Record Date;
 - the amount of the relevant Dividend Payment in respect of the Participant's Participating Shares (including any amounts deducted from the Dividend payable);
 - the amount (if any) in the Participant's DRP account immediately prior to the payment of the relevant Dividend;
 - the number of Shares Allocated to the Participant under these Rules and the date of Allocation of those Shares;
 - the cash balance (if any) retained in the Participant's DRP account after deduction of the amount payable on Allocation of the additional Shares;
 - the Participant's total holding of Shares after Allocation;
 - the Allocation Price of each Share Allocated to the Participant;
 - the franked amount (if any) of the Dividend Payment and the franking credit (if any) attached to the Dividend; and
 - any other matters required by law to be included in the statement.

13. The effect of applying for participation

By applying to participate in the DRP, the applicant:

- warrants to the Company that it is an Eligible Shareholder;
- acknowledges that Dividends reinvested under the DRP will be assessable for applicable income tax in the same way as cash Dividends;
- authorises the Company (and its officers or agents) to correct any error in, or omission from, any other notice or application contemplated by rule 19 (including, but not limited to, a Participation Notice);
- acknowledges that the Company may at any time irrevocably determine that the applicant's Participation Notice is valid, in accordance with these Rules, even if the Participation Notice is incomplete, contains errors or is otherwise defective;

- (e) acknowledges that the Company may reject any Participation Notice;
- (f) consents to the establishment of a DRP account on its behalf;
- (g) consents to any entitlement to a fraction of a Share produced by the calculation in rule 9.3 being dealt with in accordance with rule 9;
- (h) agrees to the appointment of the Company, or a nominee (including a broker or the Share Registry) appointed by the Company, as the Participant's agent to acquire Shares on ASX where the Company decides to Allocate Shares to Participants by acquiring existing Shares in accordance with rule 11 (and for the avoidance of doubt, the applicant agrees to the Company or its nominee taking all steps necessary to register the Shares in the applicant's name, including the execution of any share transfers required);
- (i) 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 with one or more underwriters;
- (j) 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 apply to participate in the DRP and that neither has any obligation to provide any such advice or recommendation;
- (k) acknowledges that neither the Company nor the Share Registry (nor any officer of the Company or the Share Registry) will be liable or responsible to the applicant for any loss or disadvantage suffered or incurred by the applicant 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; and
- (l) unconditionally agrees to the Rules and agrees not to do any act or thing which would be contrary to the spirit, intention or purpose of the DRP or the Rules,

in each case, at all times until termination of the DRP or the cessation of the Participant's participation in the DRP.

14. Variation or termination of participation

14.1 A Participant may at any time give notice to the Company (via the Share Registry using the Participation Notice) of the Participant's decision to:

- (a) increase or decrease the number of Shares participating in the DRP; or

- (b) terminate the Participant's participation in the DRP. The alteration or termination takes effect in accordance with rule 19.

- 14.2** If a Participant increases its level of participation to Full Participation, rule 7.2 applies.
- 14.3** If a Participant decreases its level of participation or increases its level of participation to a level below Full Participation, rule 7.3 applies.
- 14.4** 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.
- 14.5** Upon termination of participation for whatever reason (including termination of the DRP under rule 16), the Company must forward, unless otherwise directed, to the Participant a statement of the Participant's DRP account made out to the date of termination.

15. Reduction or termination of participation where no notice is given

- 15.1** Where all of a Participant's Shares are Participating Shares and the Participant disposes of some (but not all) of those Shares, then subject to rule 14.1, the remaining Shares held by the Participant continue to be Participating Shares.
- 15.2** Where only some of a Participant's Shares are Participating Shares and the Participant disposes of part of the Participant's total holding, then the Shares disposed of are deemed not to be Participating Shares. If the number of Shares disposed of is more than the number of the Participant's Shares not participating in the DRP, the disposal is deemed to include all the Participant's holding not participating in the DRP, and the balance (if any) will be attributed to Participating Shares.
- 15.3** Where a Participant disposes of all its Shares, the Participant is deemed to have terminated participation in the DRP with respect to the holding on the date the Company registered a transfer or instrument of disposal of the Participant's holding.

16. Variation, suspension and termination of the DRP or these Rules

- 16.1** The DRP or these Rules may be varied, suspended or terminated by the Company at any time by notification on the Company's website and by notice to ASX. 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.
- 16.2** The variation, suspension or termination takes effect upon 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 of action against, the Company or its officers, employees or agents.
- 16.3** If the DRP or these Rules are varied, a Participant continues to participate under the DRP pursuant to their prior Participation Notice and these Rules in their varied form continue to apply unless the Participant varies or terminates its participation in the DRP by submitting a Participation Notice in accordance with these Rules.
- 16.4** If the DRP is suspended, an election as to participation in the DRP will also be suspended and all Shares are deemed to be non-Participating Shares for the purpose of any Dividend paid while the DRP is suspended.
- 16.5** Any suspension under rule 16.4 will continue until such time as the Company resolves to recommence or terminate the DRP.
- 16.6** The DRP may be reinstated following a suspension in accordance with this rule 16 by notification on the Company's website and by notice to ASX. Upon reinstatement of the DRP, all prior elections will be reinstated and will continue to apply until a new valid Participation Notice is lodged, unless the Company determines otherwise.

17. Costs to Participants

- 17.1** No brokerage, commission, or other transaction costs are payable by Participants in respect of Shares Allocated under the DRP and no stamp or other duties are payable, under present law, by Participants in respect of Shares Allocated 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 Shares Allocated under the DRP.

18. Taxation

- 18.1** 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

19. Applications and other notices

- 19.1** 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.
- 19.2** Subject to rules 19.3 and 19.4, applications and notices are effective upon receipt by the Company or the Share Registry (as appropriate).
- 19.3** Applications or notices received after a Dividend Record Date are not effective in respect of that Dividend but are effective in respect of subsequent Dividends.
- 19.4** Without limiting rule 13(c), the Company has absolute discretion to:
- (a) accept or reject an application or notice which is not properly completed or signed; and
 - (b) prior to acceptance, clarify with an Eligible Shareholder any instruction with respect to an application/notice in order for the application/notice to be properly completed.
- 19.5** The accidental omission by the Company to give any notice under these Rules to any Shareholder, ASX or any other person will not invalidate any act, matter or thing.
- 19.6** For the purposes of this rule 19, an application or notice includes, but is not limited to, a Participation Notice.

20. General

- 20.1** 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 share register from time to time); and
- (b) the number of Participating Shares held by the Participant from time to time.

20.2 The Company's records are conclusive evidence of the matters recorded in them.

20.3 Any power, discretion or function of the Company under these Rules shall be exercised or undertaken by the Board, and the Board may delegate any such power, discretion or function to any person.

20.4 Any Dividend payable on Participating Shares which Dividend 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, is not available for the purpose of participating in the DRP.

20.5 Subject to the Constitution, the Company may:

- (a) implement the DRP in the manner the Company thinks fit; and
- (b) 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.

20.6 Neither the Company nor any officer, employee, agent or adviser of it is liable or responsible to any Shareholder or Participant for any loss or alleged loss or disadvantage suffered or incurred by them as a result, directly or indirectly, of any one or more of:

- (a) the establishment or operation of the DRP;
- (b) participation or non-participation in the DRP; or
- (c) any advice given with respect to participation in the DRP by any person.

20.7 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.

20.8 Despite anything else in these Rules, the Listing Rules prevail to the extent of any inconsistency with these Rules.



Toll Holdings Limited

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