

Dividend Reinvestment Plan



Crane Group Limited

Level 14, Philips House,
15 Blue Street, North Sydney NSW 2060



Crane Group Limited

ABN 91 008 410 302

Dividend Reinvestment Plan

The Crane Group Limited
Dividend Reinvestment Plan is a simple and
convenient way for shareholders to reinvest
all or part of their dividends to acquire additional
Crane Group Limited shares automatically,
with no transaction costs.



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Dividend Plan Reinvestment



The 1987 Annual General Meeting of Crane Group Limited ('the Company') approved the establishment of a Dividend Reinvestment Plan ('the Plan') allowing holders of ordinary shares the option of reinvesting cash dividends in further ordinary shares in the Company. The Plan has been in operation since the final dividend paid in November 1988.

The Company's Board of Directors ('Company's Board') adopted Rules of the Plan consistent with the principles approved at the Annual General Meeting. A general explanation of the Rules follows but you should also study carefully the actual Rules which are included in this booklet.

Features of the Plan

1. Only holders of ordinary shares in the Company may participate in the Plan. Participation is entirely optional.
2. The application for participation must be in the form enclosed with the Rules or in such other form as the Company's Board may from time to time approve.
3. Applications and any notices relating to the Plan must be received no later than the Record Date applicable to each dividend in order to take effect in relation to that particular dividend.
4. On each dividend payment date, the dividend on participating shares is automatically reinvested in additional shares in the Company which the Company's Board may in its absolute discretion, either issue or cause to be acquired on market by a broker for transfer to Plan participants ('Plan Shares').
5. Participation in the Plan remains in force until the Plan is terminated by the directors or until a request for discontinuance is received from a shareholder in respect of that member. Again notice must be received no later than the Record Date to apply to that particular dividend.
6. The issue or transfer price of Plan Shares is determined in accordance with the formula in the Rules. Simply it is the volume weighted average price ('VWAP') of the sales of shares recorded on the Australian Stock Exchange ('ASX') for each of the 10 trading days commencing 2 business days after the Record Date (as defined in the Rules), less a 2.5% discount. If no such sales are recorded on such days, or if (in the opinion of the Company's Board in its absolute discretion) the VWAP was affected by any unusual or extraordinary circumstances then the Company's Board in its absolute discretion will determine the issue or transfer price having regard to recent market prices and the objective of pricing Plan Shares at a 2.5% discount to a fair ex-dividend market price.
7. Any balance of cash dividend remaining after application towards Plan Shares will be retained by the Company interest free until the next dividend payment date when it will be applied against the issue or transfer price of further Plan Shares.
8. Plan Shares will be issued or acquired on-market for transfer to shareholders within the timings prescribed by ASX Listing Rules and an explanatory statement will be issued shortly thereafter.
9. Application for quotation of issued Plan Shares will be lodged with ASX within the timings prescribed by ASX Listing Rules. Issued or transferred Plan Shares will rank for dividend equally with the other ordinary shares, including the right to dividend, for the period in which Plan Shares are acquired and subsequently held by Plan participants.

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10. No brokerage, stamp duty or other transaction costs are payable.
11. The Directors may vary the Rules of the Plan to take effect one month after written notice is given to all holders of fully paid ordinary shares.

Taxation Considerations

Resident individual shareholders

The assessable income of resident individual shareholders participating in the Plan will include an amount equal to the cash dividend declared by the Company. Additionally, where the dividend includes a franked amount an amount equal to the franking credits (shown upon the dividend statement) will be included in assessable income.

Resident individual shareholders will be entitled to claim tax offset equal to the franking credits against their tax payable, and be entitled to a refund where their tax offset exceeds their tax payable.

Resident company shareholders

The assessable income of resident company shareholders participating in the Plan will include the amount of the cash dividend declared by the Company. Additionally, where the dividend includes a franked amount, an amount equal to the franking credits (shown on the dividend statement) will be included in assessable income.

Resident company shareholders are entitled to claim tax offset equal to the franking credits against their tax payable. Where the tax offset exceeds their tax payable no refund is available.

Resident private and public company shareholders will obtain a credit to their franking account equal to the franking credits attaching to the franked dividend.

Resident trusts and partnerships

The income tax legislation has special rules in respect of franked dividends received by trusts and partnerships. Shareholders should therefore seek independent advice.

Non-resident shareholders

To the extent that dividends paid by the Company are fully franked, no dividend withholding tax will apply. Unfranked dividends will be subject to withholding tax.

Capital Gains Tax

Residents

Plan Shares, being assets acquired after 19th September 1985, will be subject to capital gains tax upon disposal. The cost base upon which the subsequent gain will be calculated will be the amount of the cash dividend applied in respect of the acquisition of Plan Shares.

Where Plan Shares are held for more than 12 months, eligible resident shareholders may be entitled to a capital gains discount. Shareholders should seek their own independent advice.

Non residents

Plan Shares acquired by non-residents will generally not be subject to capital gains tax in Australia unless:

- the Plan Shares are used at any time in carrying on a business through a permanent establishment in Australia; or
- the shareholder (including associates) holds at least 10% of the issued capital of the Company at the time of the disposal or for least 12 months during the 24 months before the shares are sold, and 50% or more of the value of the Company's assets is represented by real property in Australia.

These considerations are based on legislation in force at the date of printing and are provided only as a general overview. Shareholders are advised to seek their own professional advice in respect of their individual affairs.



The directors of Crane Group Limited ('the Company') have determined that the following rules ('the Rules') will govern participation in the Company's Dividend Reinvestment Plan ('the Plan') under which ordinary shareholders may elect to have their dividends reinvested in additional ordinary shares in the Company ('Plan Shares')

1. Participation in the Plan

- 1.1 All holders of ordinary fully paid shares of the Company may apply for participation in the Plan established by the Rules.
- 1.2 During the operation of the Plan for any dividend, the Company's Board of Directors ('Company's Board') may in its absolute discretion either issue new fully paid ordinary shares or cause existing fully paid ordinary shares to be acquired on-market by a broker for transfer to shareholders who participate in the Plan.
 - 1.2 A shareholder having a registered address in a country other than Australia may not be eligible to participate in the Plan because of the legal requirements applying in such country. The issue or transfer of Plan Shares to shareholders who at the time of issue or transfer are not resident in Australia will be subject to all necessary Australian Government approvals. It will be the responsibility of the shareholder concerned to obtain any such approvals.
- 1.3 Each application for participation in the Plan must be in writing in such form as the directors of the Company may from time to time approve.
- 1.4 Each applicant must nominate some or all of the shares from time to time registered in the applicant's name with respect to which the applicant proposes to participate in the Plan ('the Nominated Shares').
- 1.5 Each cash dividend payable with respect to the Nominated Shares during the period of

participation in the Plan and which is available for payment to the participant will be applied against the price of Plan Shares to be issued or transferred to participants in accordance with the Plan.

2. Issue or Transfer of Plan Shares

- 2.1 Until termination of participation in the Plan in accordance with the Rules, each participant in the Plan shall be deemed to have applied for Plan Shares as at each succeeding Record Date (as prescribed by the Rules) and such application will be deemed to be for that number of Plan Shares with an aggregate issue or transfer price determined in accordance with the Rules, equal to the sum of the cash dividend payable on the Nominated Shares on the immediately preceding date for payment of the dividend and the balance remaining (if any) of previous cash dividends retained by the Company as mentioned in subparagraph 2.2.
- 2.2 Fractions of ordinary fully paid shares of the Company will be disregarded. The balance of the dividends remaining (if any) after deduction of the issue or transfer price of Plan Shares so issued or transferred will be retained by the Company on behalf of the participant interest free, and will be added to the next following cash dividend payable on the Nominated Shares and applied against the price for Plan Shares on the next succeeding issue or transfer date.
- 2.3 Plan Shares will be issued or transferred to participants as determined by the Company's Board and within the timings prescribed by the Listing Rules of the Australian Stock Exchange Limited ('ASX').
- 2.4 An explanatory statement will be mailed to participants shortly after Plan Shares are issued or transferred to participants and will include notification of any balance of dividends then retained by the Company as mentioned above. A holding statement will

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also be mailed to participants in the first week of the month immediately following the month when Plan Shares are issued or transferred.

2.5 Plan Shares issued or transferred to participants will rank equally in all respects with other ordinary shares of the Company including the right to participate fully in the dividend for the period in which such shares are acquired and subsequently held by Plan participants.

3. Issue or Transfer Price

3.1 The price at which Plan Shares will be issued or transferred to participants with respect to each dividend will be determined as follows:

(a) Subject to clause 3.1(b), the volume weighted average price ('VWAP') of all sales of shares recorded on ASX on an "ex-dividend" basis for each of the 10 trading days commencing 2 business days after the final date for receipt of election notices to identify shareholders entitled to the dividend ('Record Date') less 2.5% of such VWAP and rounded to the nearest whole cent.

(b) If no sales are recorded on ASX during the 10 trading days commencing 2 business days after the Record Date, or if in its absolute discretion the Company's Board considers the VWAP was affected by any unusual or extraordinary circumstances, then the price at which Plan Shares are issued or transferred to participants will be determined by the Company's Board in its absolute discretion having regard to then recent market prices and the objective of issuing Plan Shares at a 2.5% discount to a fair ex-dividend market price.

3.2 The determination by the Company's Board of the issue or transfer price will be binding on all participants.

4. Statement of Particulars of Issue or Transfer

A statement in respect of each participant listing the cash dividend payable to the participant, the number and price of Plan Shares issued or transferred and the amount of any remaining amount retained by the Company on behalf of that participant will be forwarded to that participant by the Company.

5. Alteration of Particulars of Participation

A participant may at any time vary participation in the Plan by notice in writing to the Company altering the number of Nominated Shares or by advising any change of name or address.

6. Termination of Participation in the Plan

6.1 By a Participant

Each participant may terminate participation in the Plan by notice in writing to the Company in such form as the directors of the Company may from time to time approve or accept.

6.2 On Death of a Participant

If the Company receives written notice of the death of a participant such notice shall terminate the participation in the Plan of the participant and all other participants (if any) with whom such deceased participant was a joint participant.

6.3 On Transfer of Shares

A participant will cease to participate in the Plan in respect any Nominated Shares which are transferred to a third party, on registration of such transfer in the Company's share register.

7. Notices

Every application for participation in the Plan by a shareholder and every notice given by a participant in the Plan to the Company will take effect immediately upon receipt by the Company



unless such application or notice is received within the period immediately after a Record Date and on or before the date for payment of the dividend relating to that Record Date. An application or notice received in this period will take effect after the conclusion of such period.

8. Listing of Plan Shares

The Company will make application to ASX for quotation of issued Plan Shares within the timings prescribed by ASX Listing Rules.

9. Alteration to the Rules

9.1 The Rules may at any time be altered, amended, deleted or added to by resolution of the Company's Board who may at any time substitute new Rules for the existing Rules.

The Rules as altered, amended, deleted or added to from time to time and any substituted Rules will be binding on the Company and its shareholders and will take effect one month after written notice of any such alteration, amendment, deletion, addition or substituted rules have been given to all holders of ordinary fully paid shares in the Company.

10. Term of Plan

The Plan shall continue unless and until terminated by the directors of the Company in their absolute discretion on six months written notice of such termination being given to all holders of ordinary fully paid shares in the Company.

11. General

11.1 The Plan, the Rules and the operation of the Plan shall be governed by and construed according to the Laws of the State of New South Wales.

11.2 Any dividend payable on Nominated Shares which dividend the directors are entitled to retain or over which the

Company otherwise has a lien or charge in accordance with the Constitution of the Company or other requirement of law, shall not be available for the purposes of participating in the Plan.

11.3 Neither the Company nor any of its directors, officers, employees, representatives or agents takes any responsibility or assumes any liability for the taxation liabilities of participants and as individual circumstances may vary considerably, shareholders should obtain their own specific taxation advice with respect to the Plan.

11.4 The Company's Board may settle in the manner the Company's Board thinks fit any difficulty, anomaly or dispute which may arise in connection with, or by reason of, the operation of the Plan, whether generally or in relation to any shareholder or any share or shares and the determination of the Company's Board will be conclusive and binding on all shareholders and other persons to whom the determination relates.

11.5 The entries which have been made in the register in respect of a participant at any time pursuant to these Rules shall be conclusive in determining whether or not a share is a participating share and whether the holder of the share at that time has the corresponding rights which attach under these Rules to a participating share.

11.6 Neither the Company nor any officer of the Company will be liable or responsible to any participant for any loss or alleged loss or disadvantage suffered or incurred as a result of the establishment, operation or administration of the Plan.

11.7 The Company's Board reserves the right to waive strict compliance with any of the provisions of these Rules.