

AURORA BUY-WRITE INCOME TRUST

DISTRIBUTION REINVESTMENT PLAN RULES

1. INTRODUCTION

1.1 Name of Plan

The Plan is called the Aurora Buy-Write Income Trust Reinvestment Plan.

1.2 Object of the Plan

The object of the Plan is to provide a means by which Unitholders may elect to increase their Unitholding in the Trust by reinvesting all or part of their Distributions in additional Units.

1.3 Commencement of the Plan

The Plan will commence operation on the date determined by the Directors.

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

In this Plan, unless the context requires otherwise:

Application Form means a form as set out in Schedule 1 or other form approved by the Directors from time to time by which a Unitholder may apply to join the Plan.

ASX means Australian Stock Exchange Limited ACN 008 624 691.

Constitution means the Constitution of the Trust.

Directors means the directors of the Responsible Entity acting as a board or a duly appointed committee of the board.

Distribution means a cash distribution or the cash component of a distribution payable by the Trust.

Full Participant means a Participant who participates in the Plan in respect of all the Units held by the Participant, including Units currently held, Units allotted under the Plan, bonus Units (if any) subsequently allotted and any other Units acquired subsequently.

Listing Rules means the Listing Rules of ASX and any other rules of ASX which are applicable while the Trust is admitted to the Official List of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

Partial Participant means a Participant who participates in the Plan in respect of some but not all of the Units held by the Participant.

Participant means a Unitholder who participates in the Plan.

Plan means the Aurora Buy-Write Income Trust Distribution Reinvestment Plan as amended from time to time.

Plan Units means Units which have been nominated by a Participant for participation in the Plan and which are subject to the Plan.

Plan Statement means a statement setting out the matters referred to in **Rule 7**.

Responsible Entity means Aurora Funds Management Limited (ABN 69 092 626 885) as responsible entity for the Aurora Buy-Write Income Trust.

Rules means the rules set out in this document and any amendments to these Rules.

Unit means a fully paid ordinary Unit in the Trust.

Unitholder means a person registered as the holder of Units.

Suspension Date means the date determined by the Directors and notified to participants pursuant to **Rule 10.2(c)**.

Trust means Aurora Buy-Write Income Trust ARSN 110 303 430.

Variation Form means a form as set out in Schedule 2 or other form approved by the Directors from time to time by which a Participant may apply to vary the level of or withdraw from participation in the Plan.

2.2 Interpretation

In these Rules, unless the context requires otherwise:

- (a) words denoting the singular include the plural and vice versa;
- (b) words denoting an individual or persons include bodies corporate or incorporate and trusts and vice versa;
- (c) wherever the word “include” appears in any form, it is to be construed as being followed by the words “without being limited to”;
- (d) a reference to any document or agreement includes a reference to that document or agreement as amended, novated, supplemented, varied or replaced from time to time;
- (e) where any word or phrase is given a defined meaning in these Rules, any part of speech or other grammatical form of that word or phrase has a corresponding meaning;
- (f) references to currency are to the currency of Australia;
- (g) unless otherwise identified a word which is given a special meaning by the Corporations Act will where the context allows have the same meaning in this agreement; and
- (h) a reference to any statute or regulation includes any amendment, consolidation, re-enactment or replacement of it.

3. PRINCIPAL CONDITIONS**3.1 Constitution, Listing Rules and Corporations Law to be Paramount**

These Rules are to be interpreted subject to the Constitution, the Listing Rules, the Corporations Act and any other applicable laws.

3.2 Plan does not apply

The Plan does not apply where, in accordance with the Trust's Constitution or otherwise by law:

- (a) the Directors are entitled to retain all or part of a Distribution payable in respect of Units which a Participant has nominated as participating in the Plan; or
- (b) the Trust is entitled to a charge over those Units or over any Distribution payable in respect of those Units.

3.3 Plan Rules to be Binding

Subject to **Rule 3.1**, the Plan:

- (a) will operate in accordance with these Rules; and
- (b) binds each Participant.

3.4 Participation

Participation by Unitholders in the Plan:

- (a) is optional;
- (b) may be varied or withdrawn at any time; and
- (c) cannot be transferred.

The Trust or any person appointed by the Trust may subscribe for Units which would be issued under the Plan if all Unitholders elected to fully participate in the Plan. Any Units issued in connection with such subscriptions will be issued on the terms and conditions of the Plan as if the subscriber were a Unitholder, which had elected to fully participate in the Plan.

4. ELIGIBILITY**4.1 Eligible Unitholders**

Subject to **Rule 4.2**, the Responsible Entity for the Trust will invite all Unitholders to participate in the Plan.

4.2 Ineligible Unitholders

The Directors may determine that a Unitholder is ineligible to participate in the Plan if:

- (a) the Unitholder's registered address is in a country or place where participation in the Plan would or may be unlawful, impractical, impossible or subject to adverse legal requirements; or
- (b) the Unitholder's participation in the Plan may result in a breach of the Trust's Constitution, the Corporations Act, the Listing Rules or any other applicable law.

4.3 Notification of Ineligibility

If the Directors determine that a Unitholder is ineligible to participate in the Plan, the Responsible Entity will notify that Unitholder of the rejection of any application made by that Unitholder as soon as practicable.

5. PARTICIPATION

5.1 Application for Participation

A Unitholder may apply to participate in the Plan:

- (a) after receiving an invitation to participate in the Plan; and
- (b) by delivering a signed and completed Application Form to the Responsible Entity in accordance with the instructions provided by the Trust.

5.2 Limit on Plan Units

The Directors may in their absolute discretion set a limit on the number of Units which Unitholders may nominate for participation in the Plan.

5.3 Full Participation

Subject to **Rule 5.2**:

- (a) a Unitholder may nominate all of the Unitholder's Units from time to time to participate in the Plan; and
- (b) if a Unitholder does not specify the number of Units to be subject to the Plan on the Application Form, the Unitholder is taken to have applied for all of that Unitholder's Units to be subject to the Plan.

5.4 Partial Participation

- (a) Subject to **Rule 5.2**, a Unitholder may nominate a specific number of the Unitholder's Units to participate in the Plan.
- (b) Where Units are allotted to a Partial Participant:
 - (i) under the Plan, the Units will be added to the Unitholder's Plan Units;
 - (ii) as part of a pro rata issue, a proportion of these Units (being the same proportion as the number of the Unitholder's Plan Units bears to that Unitholder's total holding immediately prior to the pro rata issue being made) will be added to the Unitholder's Plan Units.

5.5 Variation to Participation in the Plan

A Participant may at any time increase or decrease the number of that Participant's Units in the Plan by completing and returning to the Responsible Entity a Variation Form specifying the variation.

5.6 Duration of Participation

Subject to **Rule 4.3**, a duly completed and signed Application Form to participate in the Plan is effective from the date the Application Form is received by the Responsible Entity until:

- (a) the Participant formally varies or terminates participation in the Plan;
 - (b) the termination of the Plan by the Directors; or
 - (c) the termination of the Participant's participation in the Plan,
- in accordance with these Rules.

6. OPERATION OF THE PLAN

6.1 Plan Account

The Directors will:

- (a) establish and maintain a separate Plan account for each Participant; and
- (b) apply Distributions payable on Plan Units, on behalf of the Participants, in subscribing for Units.

6.2 Issue Price

The price at which each Unit is issued will be the issue price determined in accordance with the Constitution for the time the relevant Units are issued.

6.3 Determination Final

A determination under **Rule 6.2** is final and binding on all Participants.

6.4 Issue of Units

Subject to **Rule 10**, for each Distribution payable on Plan Units, the Directors will:

- (a) determine the amount of the Distribution payable in respect of each Participant's Plan Units;
- (b) reduce the Distribution payable under **Rule 6.4(a)** by any amount, including withholding tax, where appropriate, which the Responsible Entity is required to or may deduct for any reason from the Distribution payable to that Participant;
- (c) credit to the Participant's Plan account the amount calculated under **Rule 6.4(a)** less any amount under **Rule 6.4(b)**;

- (d) determine the number of Units which can be acquired under the Plan by dividing the amount in the Participant's Plan account by the issue price per Unit calculated under **Rule 6.2**, and rounding down to the nearest whole number;
- (e) on behalf and in the name of the Participant, subscribe for the number of Units determined under **Rule 6.4(d)** and debit the Participant's Plan account with the subscription amount for those Units;
- (f) issue to the Participant the number of Units determined under **Rule 6.4(d)**; and
- (g) at the Responsible Entity's option, either reimburse the Participant for, retain and carry forward (without interest) in the Participant's Plan account, or credit back to the benefit of the Trust, any balance of the Distribution payable on the Participant's Plan Units not accounted for under this **Rule 6.4**.

6.5 Ranking

All Units issued under the Plan are issued on the terms disclosed in the Plan and will, from the date of issue, rank equally in every respect with issued Units and participate in all Distributions subsequently declared.

6.6 Unit Register

Units allotted under the Plan will be registered on the Unit register on which the Participant already holds Units or, if the Participant holds Units on more than one Unit register, on the Unit register which the Directors in their absolute discretion determine.

6.7 Holding Statement

The Responsible Entity will issue a holding statement to each Participant in accordance with the requirements of the Listing Rules setting out the total number of Units issued to that Participant under **Rule 6.4(f)**.

6.8 Trust Records

The Responsible Entity must record:

- (a) the number of Plan Units held by a Participant; and
- (b) changes to the number of Plan Units held by a Participant.

6.9 Conclusive Evidence

The Trust's records kept under **Rule 6.8** are conclusive evidence of the matters recorded.

7. PLAN STATEMENTS

The Trust will send to each Participant, as soon as practicable after each issue of Units under the Plan, a Plan Statement detailing:

- (a) the number of Plan Units of the Participant at the relevant record date;

- (b) the amount of the Distribution payable on each Plan Unit;
- (c) if applicable, the amount of withholding tax or other amount which has been deducted from the Distribution payable on the Participant's Plan Units;
- (d) the number of Units issued to the Participant under the Plan and the date of issue of those Units;
- (e) the issue price of each Unit allotted to the Participant under the Plan;
- (f) the balance of the Distribution payable on the Participant's Plan Units not applied towards additional Units under the Plan and retained in the Participant's Plan account or distributed to the Participant, as the case may be;
- (g) the Distribution and the imputation tax credit (if any) attaching to the Distribution; and
- (h) subject to any unit transactions in the intervening period, the total number of Plan Units of the Participant after the Distribution.

8. ACQUISITION AND SALE OF UNITS BY PARTICIPANTS

8.1 Reduction of Plan Units on Sale

Unless advised by the Partial Participant to the contrary, if a Partial Participant sells or transfers Units, the Units sold or transferred will, first, reduce the number of non-Plan Units and, secondly, the number of Plan Units.

8.2 Further Units

Any further Units acquired by whatever means by a Full Participant automatically become Plan Units on being registered in the Participant's name.

9. TERMINATION OF PARTICIPATION BY PARTICIPANT

9.1 Termination by Participant

A Participant may at any time terminate participation in the Plan by completing and returning to the Responsible Entity a Variation Form indicating the Participant's wish to terminate participation in the Plan.

9.2 Effective Termination

A Participant is taken to have terminated participation in the Plan on:

- (a) receipt by the Trust of a Variation Form in accordance with **Rule 9.1**;
- (b) registration of a transfer of all of the Participant's Plan Units;
- (c) termination of the Plan by the Directors in accordance with **Rule 10**;
- (d) receipt by the Trust of the notice of death, bankruptcy or liquidation of the Participant; or

- (e) the Participant ceasing to be eligible to participate in the Plan.

9.3 Joint Unitholders

For the purposes of **Rule 9.2**, the death of any one, two or more joint Unitholders does not automatically terminate participation by the remaining Unitholder or joint Unitholders.

10. VARIATION, SUSPENSION AND TERMINATION OF THE PLAN BY THE DIRECTORS

10.1 Variation, Suspension and Termination of the Plan

The Directors may at any time in their absolute discretion:

- (a) vary the Plan and any agreement relating to the Plan;
- (b) suspend the operation of the Plan;
- (c) recommence the operation of the Plan; or
- (d) terminate the Plan.

10.2 Notice by Responsible Entity

The Responsible Entity will give each Participant notice of any:

- (a) termination of the Plan at least 3 months before the effective date of the termination;
- (b) variation of the Plan at least 1 month before the effective date of the variation; and
- (c) suspension or recommencement of the Plan as soon as reasonably practicable after the effective date of the suspension or recommencement.

10.3 Plan Statement

If the Plan is terminated under **Rule 10.1**, the Responsible Entity will send to each Participant a Plan Statement and a cheque for the balance (if any) retained in the Participant's Plan account, as shown in the Plan Statement.

10.4 Variation

If the Directors vary these Rules, a Participant continues to participate under the modified Plan unless the Responsible Entity is notified by the Participant to the contrary by a Variation Form.

10.5 Suspension

- (a) Any suspension of the Plan under **Rule 10.1** will be effective on the Suspension Date and until such time as the Directors resolve either to recommence or terminate the Plan.
- (b) From the Suspension Date until the suspension ceases to have effect under **Rule 10.5(a)**, all Plan Units will automatically cease to be Plan Units.

10.6 **Recommencement**

- (a) If the Directors resolve to recommence the operation of the Plan, they may direct that Units which were recorded as Plan Units immediately prior to the Suspension Date be reinstated as Plan Units with effect from the date of the recommencement of the Plan.
- (b) The Responsible Entity will give notice to Participants of the conditions of recommencement and any directions made under **Rule 10.6(a)**.

10.7 **No Waiver**

The accidental omission to give notice of any variation, suspension or termination of the Plan to any Participant or the non-receipt of any notice by any Participant does not invalidate the variation, suspension or termination of the Plan.

10.8 **No Liability**

Any variation, suspension, recommencement or termination of the Plan under **Rule 10.1** will not give rise to any liability on the part of, or right of action against, the Trust or the Directors.

11. **COSTS TO PARTICIPATING UNITHOLDERS**

A buy/sell spread and any other transaction costs maybe payable in accordance with the Constitution by Participants on Units allotted under the Plan.

12. **ADMINISTRATION OF THE PLAN**

12.1 **Directors Powers**

The Directors have absolute discretion to:

- (a) resolve any dispute concerning the Plan in such manner as they see fit;
- (b) adopt any administrative procedures as they think appropriate; and
- (c) delegate to any one or more persons the exercise of any of their powers or discretions arising under the Plan.

12.2 **Decisions Binding**

Subject to the Listing Rules, any decision of the Directors is final and binding on Participants.

13. **TAXATION**

Neither the Responsible Entity nor the Directors, its officers, employees, representatives or agents:

- (a) take any responsibility or assume any liability for, or as a consequence of, the taxation liabilities of Participants; or

- (b) represent or warrants that a Participant will gain any taxation advantage, or will not incur a taxation liability or disadvantage, as a result of participation in the Plan.

14. NOTICES

The provision of the Constitution relating to notices apply to these Rules.

14.1 GOVERNING LAW

The Plan and these Rules are governed by the laws of New South Wales.

