

DIVIDEND REINVESTMENT PLAN RULES

Magellan Financial Group Limited
ACN 108 437 592

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MAGELLAN FINANCIAL GROUP LIMITED

DIVIDEND REINVESTMENT PLAN RULES

1. Definitions

In these Rules, unless the context otherwise requires:

"**ASX**" means ASX Limited ABN 98 008 624 691 or the securities market operated by ASX Limited (as the case may be).

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

"**Average Market Price**" for a period means the arithmetic average of the daily volume weighted average sale price (calculated to the nearest cent) of Shares traded on ASX (and, if the Board determines, Chi-X) during the relevant period determined under Rule 5.5(a), excluding any trades that the Board considers may not be fairly reflective of natural supply and demand. For the avoidance of doubt, the calculation of Average Market Price will disregard any crossings which occur off market (including, for example, any transaction described in the ASX Operating Rules as a 'special crossing', crossings with price improvement which occur off market, crossings prior to the commencement of normal trading, crossings during the closing phase and the after hours adjust phase and any overnight crossings), and any overseas trades or trades pursuant to the exercise of options over Shares.

"**Board**" means the board of directors of the Company, any committee of the board or a duly authorised person or body to which the board has delegated its powers under these Rules.

"**Business Day**" means a day which is a business day within the meaning of the Listing Rules.

"**Chi-X**" means Chi-X Australia Pty Ltd ABN 47 129 584 667 or the securities market operated by Chi-X Australia Pty Ltd (as the case may be).

"**Company**" means Magellan Financial Group Limited ACN 108 437 592.

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

"**Election Date**" means the last date by which a Notification of Participation/Variation will be accepted for a dividend as determined by the Directors.

"**Holding**" means a registered holding of Shares.

"**Listing Rules**" means the listing rules of ASX as they apply to the Company from time to time.

"**Notice of Participation/Variation**" means an application to participate in the Plan, a notice to increase or decrease the number or percentage of Shares in a Holding which are to be subject to the Plan or a notice to terminate a Shareholder's participation in the Plan in respect of any Holding in the form approved by the Board from time to time.

"**Plan**" means the Dividend Reinvestment Plan established under these Rules as varied from time to time.

"**Plan Account**" means the account established and maintained under Rule 5.3.

"**Plan Shares**" means, in respect of any Holding, the Shares in that Holding participating in the Plan from time to time.

"Price" means the price at which Shares will be issued or acquired under the Plan determined in accordance with Rule 5.5.

"Record Date" means any date and time specified by the Board for determining entitlements to a dividend to be paid by the Company.

"Residual Cash Balance" is defined in Rule 5.3(h)

"Rules" means the rules of the Plan as varied from time to time.

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

"Shareholder" means a registered holder of Shares within the meaning of the Constitution of the Company.

2. Participation in the Plan

2.1 General

(a) The Board may from time to time invite Shareholders to participate in the Plan.

(b) Participation in the Plan:

(i) is subject to these Rules;

(ii) is optional and is not transferable;

(iii) is open to each Shareholder unless excluded under these Rules; and

(iv) may be varied, suspended or terminated at any time in accordance with these Rules.

2.2 Eligibility to participate

A Shareholder may not participate in the Plan unless the Shareholder has a registered address on the Record Date in Australia or New Zealand or in another jurisdiction in which the Board in its absolute discretion is satisfied that the offer, issue and transfer of Shares in accordance with the Plan would be lawful and practicable, whether or not the Shareholder has received an invitation to participate in the Plan or has completed a Notice of Participation/Variation.

2.3 Discretion to refuse or reduce participation

Notwithstanding Rule 2.2, if the Board in its absolute discretion determines that the offer, issue or transfer of Shares under the Plan to a Shareholder or the holding of those Shares by that Shareholder may:

(a) be in breach of the law of any place;

(b) be in breach of a provision of the Constitution;

(c) prejudice the effective operation of the Plan; or

(d) otherwise in the opinion of the Board be undesirable, impossible or impractical,

the Board may in its absolute discretion:

- (e) refuse to accept, reduce or suspend the Shareholder's participation in the Plan; or
- (f) decline to issue or transfer any Shares to that Shareholder under the Plan.

In making this determination, the Board 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.

2.4 Discretion to refuse to permit participation

- (a) The Board may in its absolute discretion, refuse to permit any Shareholder to participate in the Plan where the Shareholder elects to participate in respect of a number or percentage of Shares which is less than such number or percentage as the Board may determine.
- (b) It is the responsibility of each Shareholder to confirm their eligibility to participate in the Plan and to obtain any necessary approvals to enable that Shareholder to participate in the Plan. In administering the Plan, the Company and the Board may rely on representations and warranties by Shareholders as to matters affecting their eligibility to participate. Before electing to participate in the Plan, Shareholders who are not resident in Australia should seek professional advice to ascertain if any restrictions apply.

3. Application to participate

3.1 Notice of participation

Application to participate in the Plan must be made on a Notice of Participation/Variation. If a Shareholder has more than one Holding, the Shareholder must lodge a separate Notice of Participation/Variation in respect of each Holding which is to participate in the Plan.

3.2 Election

- (a) A Shareholder must elect in the Notice of Participation/Variation given in respect of any Holding either:
 - (i) full participation; or
 - (ii) partial participation,in the Plan.
- (b) If the Notice of Participation/Variation in respect of any Holding does not clearly indicate the level of participation in the Plan, including without limitation where a Notice of Participation/Variation elects both full participation and partial participation at the same time, it will be deemed, without notice to the Shareholder, to be an application for full participation.
- (c) If the Notice of Participation/Variation in respect of any Holding indicates that a number of Shares will participate in the Plan in excess of the number of Shares in that Holding, it will be deemed, without notice to the Shareholder, to be an application for full participation.

3.3 Full participation

If a Shareholder elects full participation in respect of a Holding, all Shares comprised in that Holding from time to time, including Shares issued or acquired pursuant to the Plan or otherwise, will participate in the Plan.

3.4 Partial participation

If a Shareholder elects partial participation in respect of a Holding:

- (a) only the number or percentage of Shares specified in the Notice of Participation/Variation in respect of that Holding will participate in the Plan such that the balance of that Holding will receive cash dividends in the normal way;
- (b) if on any Election Date the number of Shares comprised in that Holding is less than the number of Shares specified in the Notice of Participation/Variation (if any) then all of the Shares comprised in that Holding will participate in the Plan; and
- (c) any Shares comprised in that Holding in excess of the number or percentage specified in the Notice of Participation/Variation, whether acquired under the Plan or otherwise, will not participate in the Plan unless the Shareholder alters the participation level in respect of that Holding in accordance with Rule 4.1.

3.5 Limit to participation

The Board may at any time by written notice to eligible Shareholders limit participation in the Plan:

- (a) by limiting the amount of dividend which may be reinvested under the Plan;
- (b) by specifying the maximum percentage of Shares in a Holding which may be subject to the Plan; or
- (c) in any other means as determined by the Board in its absolute discretion,

in each case, in accordance with the Listing Rules.

3.6 Commencement of participation

A Shareholder's participation in the Plan in respect of any Holding will commence from the next dividend payment following receipt by the Company's share registry of a duly completed and executed Notice of Participation/Variation in respect of that Holding provided it is received on or prior to the Election Date for that dividend.

4. Variation or termination of participation

4.1 Notice of variation or termination

A Shareholder may at any time give a Notice of Participation/Variation to the Company in respect of any Holding:

- (a) to increase or decrease the number or percentage of the Shares comprised in that Holding which participate in the Plan; or
- (b) to terminate the Shareholder's participation in the Plan in respect of that Holding.

The alteration or termination takes effect from the next Election Date.

4.2 Increase to full participation

If a Shareholder increases the level of participation in the Plan in respect of any Holding to full participation, all Shares comprised in that Holding as at the date of the Notice of Participation/Variation and all Shares subsequently comprised in that Holding, including Shares issued or acquired pursuant to the Plan, will participate in the Plan.

4.3 Other changes to level of participation

If a Shareholder increases or decreases the level of participation in the Plan in respect of any Holding to below full participation:

- (a) only the number or percentage of Shares specified in the Notice of Participation/Variation in respect of that Holding will participate in the Plan;
- (b) if on any Election Date the number of Shares comprised in that Holding is less than the number of Shares specified in the Notice of Participation/Variation then all of the Shares comprised in that Holding will participate in the Plan; and
- (c) any Shares comprised in that Holding in excess of the number or percentage specified in the Notice of Participation/Variation, whether acquired under the Plan or otherwise, will not participate in the Plan unless the Shareholder further alters the participation level in respect of that Holding in accordance with Rule 4.1.

4.4 Termination of participation

- (a) If a Shareholder dies, participation in the Plan in respect of all of that Shareholder's Shares will be terminated upon receipt by the Company of written notice of the death. If a Shareholder is declared bankrupt or is wound up, participation in the Plan in respect of all of that Shareholder's Shares will be terminated upon receipt by the Company of a notification of bankruptcy or winding up from the Shareholder or the Shareholder's trustee in bankruptcy or liquidator, as the case may be. The death, bankruptcy or winding up of one or more joint holders will not automatically terminate participation in the Plan.
- (b) Following termination of participation for whatever reason, the Company will forward to the Shareholder or the Shareholder's legal representative a statement of the Shareholder's Plan Account made out to the date of termination, and the Residual Cash Balance (if any) shown in the Shareholder's Plan Account at that date. Any such Residual Cash Balance will be applied in accordance with Rule 5.4.

4.5 Reduction or termination of participation where no Notice of Participation/Variation is given

Where:

- (a) all of the Shares in a Holding are participating in the Plan and the Shareholder disposes of some of those Shares then, unless the Shareholder advises the Company otherwise, the remaining Shares in that Holding will continue to participate in the Plan;
- (b) some of the Shares in a Holding are participating in the Plan and the Shareholder disposes of some of those Shares, then unless the Shareholder advises the Company otherwise, the Shares disposed of will be deemed to be Shares not participating in the Plan. If the number of Shares disposed of is more than the number of Shares not participating in the Plan, the disposal will be deemed to include all the Holding not participating in the Plan and the balance (if any) will be attributed to Shares

participating in the Plan; and

- (c) a Shareholder disposes of all Shares in a Holding without giving the Company a Notice of Participation/Variation, the Shareholder will be deemed to have terminated participation in the Plan in respect of that Holding on the last date on which the Company registered a transfer or instrument of disposal in relation to that Holding.

5. Operation of the Plan

5.1 Application of dividends

Each dividend which is payable to a Shareholder in respect of Plan Shares and which is available for payment to the Shareholder will be applied by the Company on the Shareholder's behalf in acquiring or subscribing for additional Shares.

5.2 Issue or transfer of shares

The Board in its absolute discretion will determine with respect to the operation of the Plan for any dividend whether to issue new Shares or to cause the transfer of issued Shares to a Shareholder, or to apply a combination of those alternatives, to satisfy the obligations of the Company under these Rules. If the Board determines to cause the transfer of Shares to Shareholders, the Shares to be transferred may be acquired in the market in such manner as the Board considers appropriate, including by appointment of a nominee or trustee to acquire those Shares on behalf of the Shareholder.

5.3 Plan Accounts

The Company will establish and maintain a Plan Account for each Holding in respect of which there are Plan Shares. The Company will, in respect of each dividend payable in respect of each such Holding:

- (a) if a percentage of Shares is specified in the Notice of Participation/Variation as participating in the Plan, determine the number of Plan Shares by multiplying the percentage specified by the number of Shares in that Holding, with any resulting fractional number of Shares being rounded down to the nearest whole number of Shares;
- (b) determine the amount of the dividend payable in respect of the Plan Shares in that Holding;
- (c) determine the withholding payments, if any, deductible by the Company in respect of the dividend payable on the Plan Shares in that Holding, and any other sum the Company is entitled to retain in respect of those Plan Shares;
- (d) credit the amount in Rule 5.3(b) to, and debit any amount in Rule 5.3(c) from, the relevant Plan Account;
- (e) determine the maximum whole number of additional Shares which may be acquired under the Plan at the Price by dividing the amount standing to the credit of the relevant Plan Account by the Price and rounding the resulting number down to the nearest whole number;
- (f) on behalf and in the name of the Shareholder in respect of the relevant Holding, subscribe for or cause the transfer of the number of additional Shares determined under Rule 5.3(e) and debit the relevant Plan Account with the total of the subscription or acquisition price payable in respect of the additional Shares issued or acquired;

- (g) issue the Shares or cause the Shares to be transferred to the Shareholder in respect of the relevant Holding and add the number of Shares issued or acquired to the total number of Shares comprised in the relevant Holding; and
- (h) retain in the relevant Plan Account, without any interest being paid or accruing, and on the terms set out in these Rules, any cash balance remaining (rounded down to the nearest cent) (the “**Residual Cash Balance**”) unless and until the Residual Cash Balance is applied in accordance with these Rules.

5.4 No fractional entitlements

- (a) In acquiring such number of additional shares as are calculated pursuant to Rule 5.3(e), a Shareholder participating in the Plan shall not be entitled to any fractional entitlement to any Shares.
- (b) Any Residual Cash Balance remaining in respect of amounts rounded down pursuant to Rule 5.3(e) will be retained in accordance with Rule 5.3(h) and a Shareholder shall not be entitled to be paid such Residual Cash Balance in cash unless and until the Residual Cash Balance is applied in accordance with these Rules.
- (c) Subject to Rule 5.4(d) any Residual Cash Balance remaining in a Shareholder’s Plan Account will be aggregated with any further dividends payable that are credited to such Plan Account.
- (d) Where:
 - (i) the Plan is terminated by the Board pursuant to these Rules;
 - (ii) the Plan is suspended by the Board pursuant to these Rules and the Board determines that the payment provisions contemplated in this Rule 5.4 (d) will apply;
 - (iii) a Shareholder ceases to participate in the Plan with respect to a Holding; or
 - (iv) a Shareholder has disposed of all Plan Shares in a Holding,

any Residual Cash Balance remaining in respect of the relevant Plan Account at that time will be paid to the relevant Shareholder in the manner, at such time and on the terms determined by the Board. Unless management of the Company otherwise determines:

 - (v) Residual Cash Balances will only be paid to a Shareholder via direct credit to the Shareholder’s nominated bank account; and
 - (vi) a Shareholder who has not provided bank account details to the share registry will not receive such payment of their Residual Cash Balance.

5.5 Price

- (a) Shares will be transferred or issued under the Plan at the Price, which will be the arithmetic average, rounded to four decimal places, of the Average Market Price during:
 - (i) the 12 trading day period commencing on (and including) the ex date in

respect of the relevant dividend and ending on (and including) the eleventh trading day after that ex date; or

- (ii) such other period and commencing on such date as the Board determines from time to time in its absolute discretion,

less any discount that the Board may determine in its absolute discretion from time to time. If the Board determines to apply a discount, notice of the actual percentage discount will be given to the Shareholders prior to the relevant Record Date.

- (b) The Price will be determined by the Board by reference to information the Board approves for the purpose from time to time. Such determination by the Board will be binding on all Shareholders.

6. Shares issued or transferred under the Plan

6.1 Issues in accordance with Listing Rules

Shares issued under the Plan will be issued in accordance with the Listing Rules and, from the date of issue, will rank equally in all respects with existing Shares unless the Board determines that they are not to participate in any offer of Shares open when the Shares are issued under the Plan or the next Dividend paid.

6.2 Application for quotation

The Company will apply for Shares issued under the Plan to be listed for quotation on the official list of ASX and any other official exchange or exchanges as may from time to time have accepted Shares for listing as soon as practicable after the date of issue.

6.3 Timing of issue or transfer

Shares issued or acquired under the Plan will be issued or transferred on or following the dividend payment date in accordance with the Listing Rules, and will be registered on the register where the Shareholder's Holding of Shares is currently registered. If the Shareholder holds Shares on more than one register (one of which is the Company's principal share register), the Shares issued under the Plan will be registered on the principal share register unless and until the Shareholder requests otherwise.

7. Plan Statements

On, or as soon as practicable after, each dividend payment date, the Company will send to each Shareholder in respect of each Holding participating in the Plan a statement setting out in respect of that Holding:

- (a) the number of Plan Shares in that Holding as at the relevant Election Date;
- (b) the amount of the dividend payable to the Shareholder (less any amounts referred to in Rule 5.3(c)) in respect of those Plan Shares;
- (c) the number of Shares transferred or issued to the Shareholder under the Plan and the Price of those Shares;
- (d) the number of Shares comprised in the Holding after issue or transfer of those additional Shares;
- (e) the franked amount (if any) of the dividend payment and the franking credit (if any) attached to the dividend;

- (f) the imputation credits (if any) attached to the dividend; and
- (g) any other matters required by law to be included in a statement confirming a transaction of this nature.

8. Variation, suspension and termination of Plan

8.1 Power to vary, suspend (or recommence) or terminate

The Plan may be varied, suspended (or recommenced) or terminated by the Board at any time. The variation, suspension (or recommencement) or termination will take effect upon the date specified by the Board. The Plan and these Rules may be varied, suspended and recommenced more than once.

8.2 Notice

The Board may give such notice of any variation, suspension (or recommencement) or termination of the Plan as it considers appropriate (including, without limitation, via the Company's website and to the ASX). A variation, suspension (or recommencement) or termination of the Plan will not be invalidated by accidental omission to give notice of the variation, suspension (or recommencement) or termination to a Shareholder or the non-receipt of any notice by any Shareholder and will not give rise to any liability on the part of, or right or action against, the Board or the Company.

8.3 Suspension and variation

- (a) Any suspension of the Plan will continue until such time as the Board resolves either to recommence or terminate the Plan.
- (b) If the Plan is suspended or varied, elections as to participation in respect of the previously suspended or varied Plan will be valid and have full force and effect in accordance with these Rules for the purposes of the recommenced or varied Plan.

8.4 Termination

Upon termination of the Plan, the Company will forward to each Shareholder a statement of the Shareholder's Plan Account as at the date of termination, and the cash balance (if any) shown in the Shareholder's Plan Account at that date.

9. Underwriting

The Board may, in its absolute discretion, choose to partially or fully underwrite the Plan in respect of any dividend with one or more underwriters.

10. Application and notices

10.1 Form

Applications and notices to the Company must be in writing and in the form prescribed by the Board from time to time (or in such other form as the Board may accept). In relation to any applications or notices received by the Company, the Company may:

- (a) accept or reject that application or notice where not properly completed or signed;
- (b) correct any error in, or omission from, that application or notice, prior to acceptance of that application or notice; and
- (c) 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), provided that any application or notice lodged electronically must comply with the applicable terms and conditions of the electronic lodgement facility.

10.2 Effective time

Applications and notices will be effective upon receipt by the Company subject to:

- (a) these Rules;
- (b) in the case of applications to participate, acceptance by the Company; and
- (c) receipt of the application or notice by the Company by 5:00pm on the relevant Election Date for determining participation in the Plan in respect of a particular dividend.

11. General

11.1 Commencement and implementation of the Plan

The Plan will commence on the date determined by the Board. Subject to the Constitution of the Company, the Board may implement the Plan in such manner as the Board thinks fit and may settle any difficulty which may arise either generally or in a particular case in connection with the Plan as the Board thinks fit.

11.2 Problems and disputes

Without prejudice to the general powers of the Board under the Constitution and these Rules, the Board may settle in such manner as the Board thinks fit any problem 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 Holding or any Share or Shares and the determination of the Board will be conclusive and binding on all Shareholders and other persons to whom the determination relates.

11.3 Company entitled to dividends

Any dividend payable on Plan Shares which a Shareholder has nominated as participating in the Plan and which dividend the Company is entitled to retain as a result of any lien or charge in favour of the Company in accordance with the Constitution or other requirement of law will not be available for the purpose of participating in the Plan.

11.4 Acknowledgements

By applying to participate in the Plan, each Shareholder acknowledges that:

- (a) neither the Company nor the share registry has provided it with investment, financial product, taxation or other advice concerning its decision to apply to participate in the Plan and that neither the Company nor the share registry has any obligation to provide such advice; and
- (b) neither the Company nor the share registry nor any of their respective officers or

employees will be liable or responsible to any Shareholder for any loss or alleged loss or disadvantage suffered or incurred by a Shareholder as a result, directly or indirectly, of the establishment or operation of the Plan or participation in the Plan or the value of Shares issued or transferred under the Plan falling or for any losses incurred on sale of Shares issued or transferred under the Plan.

11.5 Shareholders to be bound

Shareholders are at all times bound by the Rules of the Plan as modified from time to time.

11.6 Costs

All administration costs of the Plan will be met by the Company. No brokerage, commission or other transaction costs will be payable by any Shareholder in respect of Shares issued or acquired under the Plan and no stamp duty or other duties will, under present law, be payable by Shareholders in respect of Shares issued or acquired under the Plan.

11.7 Taxation

- (a) Dividends reinvested under the Plan will be assessable for income tax in the same way as cash dividends.
- (b) Neither the Board, the Company nor its officers, employees or agents:
 - (i) take any responsibility or assume any liability for, or as a consequence of, the tax liabilities of any person in connection with the Plan; or
 - (ii) 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 Plan.

11.8 Governing law

The Plan, its operation and these Rules will be governed by and construed in accordance with the laws of New South Wales, Australia.