

# **Just Water International Limited**

## **Dividend Reinvestment Plan**

### **Offer Document**

September 2017

# KEY FEATURES OF THE PLAN

## SHARES INSTEAD OF DIVIDENDS

The Just Water International Limited Dividend Reinvestment Plan (the **Plan**) provides holders of ordinary shares in Just Water International Limited (**Company**) with the option of receiving fully paid ordinary shares (**Additional Shares**) in lieu of some or all of the cash dividends paid by the Company. Shareholders who do not elect to participate in the Plan will receive cash dividends that are paid by the Company.

## COMMENCEMENT OF THE PLAN

The Plan has been in effect since 2007.

## ELIGIBILITY AND PARTICIPATION

Subject to clause 15, all holders of ordinary shares in the Company ("**Shares**") are eligible to participate in the Plan. Participation is optional and Shareholders may elect either full or partial participation in the Plan.

## SHARES ISSUED AT MARKET PRICE

Under the Plan, the number of Additional Shares to be allocated in respect of a dividend payment will be determined by applying a formula which will mean that the Additional Shares will be allocated at the market price at the time specified in the formula, unless the Board determines otherwise. No brokerage costs will be charged or incurred in respect of the issue of Additional Shares.

## SHARES RANK EQUALLY

Additional Shares issued under the Plan will be fully paid and rank equally in all respects with existing Shares and may be sold at any time.

## TO PARTICIPATE IN THE PLAN YOU MUST

1. Complete an Election Notice; and
2. Lodge your Election Notice with the Company's Share Registrar.

***This document should be read carefully. If you are in doubt as to its effect, you should consult your share broker, solicitor, accountant or other professional adviser immediately.***

# DIVIDEND REINVESTMENT PLAN OFFER DOCUMENT

This Offer Document is issued in compliance with the Financial Markets Conduct Act 2013, which exempts the Company from the need to issue a product disclosure statement in respect of the Plan.

Pursuant to the Plan, holders of ordinary shares in the Company can elect to forego their entitlement to cash dividends of the Company on some or all ordinary shares in the Company held by them, and to receive instead Additional Shares. The terms of the Plan (**Terms**) are set out below and are binding on the participating shareholders.

## TERMS

### 1. Participation in the Plan

- a) Participation in the Plan is optional and is, subject to clauses 14 and 15, open to all shareholders. Subject to the Terms, participation in the Plan may be commenced, varied or terminated by a shareholder at any time.
- b) Ordinary shares in the Company which are not eligible for cash dividends for any reason will not be entitled to participate in the Plan until they become eligible for such dividends.
- c) A shareholder is responsible for obtaining any government or regulatory approvals and consents necessary for that shareholder to participate in the Plan and to acquire the Additional Shares.

### 2. Election Notice

A shareholder may elect to participate in the Plan at any time by completing the Election Notice which accompanies this Offer Document and forwarding it to the Share Registrar. Participation in the Plan will commence in respect of that shareholder from the first Record Date after receipt of a correctly completed Election Notice by the Share Register subject to any termination or suspension of the Plan.

### 3. Degree of participation

- a) A shareholder may elect either full or partial participation in the Plan by:
  - i. ticking the "Full Participation" box in the Election Notice; or
  - ii. ticking the "Partial Participation" box in the Election Notice and specifying the number of shares in the box provided which that shareholder wishes to be subject to the Plan. If on a Record Date the number of shares held by such a shareholder (as recorded in the Register) is less than the nominated number of shares, then the provisions of this Plan will apply to such lesser number of shares.
- b) If a shareholder ticks the "Full Participation" box in the Election Notice then, subject to clauses 10(a)(i) and (ii), these Terms will apply to all the cash dividends payable in respect of all the shares from time to time registered in that shareholder's name until such time as that shareholder:
  - i. notifies the Share Registrar that he, she or it elects to partially participate in the Plan in accordance with clause 9;
  - ii. terminates his, her or its participation in the Plan in accordance with clause 8; or

- iii. disposes of his, her or its total shareholding in the Company.
- c) If a shareholder ticks the “Partial Participation” box in the Election Notice then, subject to clauses 3(a)(ii) and 10(a)(i) and (ii), these Terms will apply to all the cash dividends payable in respect of the nominated shares until such time as that shareholder:
- i. notifies the Share Registrar in writing of a variation to the number of nominated shares in accordance with clause 9;
  - ii. terminates his, her or its participation in the Plan in accordance with clause 8; or
  - iii. disposes of his, her or its total shareholding in the Company.
- d) Where a participating shareholder who has elected partial participation disposes of part of his, her or its shares without giving the Share Registrar a duly completed Notice of Variation/Withdrawal, 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 non-participating shares held by the participating shareholder, the disposal will be deemed to include all such non-participating shares and the balance shall be attributed to participating shares.
- e) If the Election Notice does not indicate the degree of participation, it will be deemed to be an application for full participation provided it is otherwise correctly completed and signed.
- f) An Election Notice is personal to the shareholder giving it and does not attach to the shares held by the shareholder at the time the Election Notice was given. This means that participating shares will cease to participate upon transfer and a transferee of those shares will need to make a fresh election in respect of those shares if he, she or it wishes those shares to participate in the Plan.

#### **4. Operation of the Plan**

- a) By signing and returning the Election Notice to the Share Registrar, each participating shareholder agrees to forego their entitlement to cash dividends of the Company on the Shares in the Company held by them as at the relevant Record Date which they have advised are to be subject to the Plan, and to receive instead Additional Shares in accordance with the Plan.
- b) Each shareholder’s participation in the Plan shall continue as set out in clause 3 but shall not apply at any time while the Plan has been suspended or terminated in accordance with clause 10.
- c) The number of Additional Shares to be issued to a participating shareholder pursuant to the Plan shall be determined in accordance with clause 5 of these Terms.
- d) The Board will, on the day specified by the Board as the day on which the cash dividend is payable to shareholders who have not elected to participate in the Plan, issue Additional Shares to each participating shareholder who was a participating shareholder at the relevant Record Date in accordance with clause 5.
- e) Additional Shares issued to a participating shareholder under the Plan will, from the date of allotment, rank equally in all respects with all other Shares in the Company.

## 5. Calculation of Additional Shares

- a) The number of Additional Shares to be issued to a participating shareholder under the Plan will be calculated in accordance with the following formula:

$$\frac{N \times D}{P}$$

Where:

**N** is the number of shares held by the participating shareholder which are participating in the Plan.

**D** is the amount (expressed in cents) of the cash dividend (less any withholding taxes which may be payable by the Company on that amount and excluding any applicable imputation credits) which, but for the participating shareholder electing to participate in the Plan, would be payable in respect of each share registered in the name of the participating shareholder at the relevant Record Date.

**P** is the weighted average sale price for all the Company's Shares (expressed in cents and decimals of cents) sold on the NZAX on the ten Business Days before the relevant Record Date. If no sales of Shares in the Company occur on those ten Business Days, then the weighted average sale price will be the last reported sale price for a share on the NZAX. Any weighted average sale price may be discounted up to a maximum of 5% at the discretion of the Board.

- b) If, in the opinion of the Board, any unusual factors (including, without limitation, any bonus issue, dividend or other distribution expectation) have affected the sale price of the Company's Shares, the Board may make such adjustments to the weighted average sale price as it considers necessary to determine a sale price which is not affected by any such factors.
- c) The determination by the Board of the weighted average sale price under clauses 5(a) and (b) is final and binding on all shareholders.
- d) Where the number of Additional Shares calculated in accordance with the above formula includes a fraction of an Additional Share, then the number of Additional Shares to be issued to a participating shareholder will be rounded up to the nearest whole number.

## 6. Statements

- a) Where Additional Shares have been issued to participating shareholders under the Plan in respect of any cash dividend, the Company will, within 20 Business Days of such Additional Shares being issued, send to each participating shareholder a statement detailing in respect of that participating shareholder:
- i. the number of shares held by the participating shareholder as at the relevant Record Date;
  - ii. the number of participating shares at the relevant Record Date;
  - iii. the number of Additional Shares issued to the participating shareholder under the Plan;
  - iv. the amount of the cash dividend paid in respect of non-participating shares (if applicable);
  - v. the amount of any tax deductions;
  - vi. advice as to the amount of any imputation credits; and
  - vii. any further details that the Board considers relevant.

**7. Costs to Participating Shareholders**

No brokerage, commissions or other transaction costs will be payable by a participating shareholder in respect of the issue of Additional Shares under the Plan.

**8. Termination of participation in the Plan**

- a) A participating shareholder may at any time terminate his, her or its participation in the Plan by delivering a duly completed Notice of Variation/Withdrawal to the Share Registrar in the form enclosed with this Offer Document and available on the Company's website, [www.jwi.co.nz](http://www.jwi.co.nz)
- b) Any termination of participation in the Plan in accordance with clause 8(a) will take effect from the next Record Date after the date of receipt of such notice by the Share Registrar.
- c) If a participating shareholder is an individual and dies, participation by that person will be terminated upon receipt by the Share Registrar of notice of death in a form acceptable to the Board. Where shares participating in the Plan are held jointly death of one or more participating shareholders will not automatically terminate participation in the Plan.

**9. Variation of participation in the Plan**

- a) A participating shareholder may at any time increase or decrease the number of shares which that participating shareholder has nominated to participate in the Plan by delivering a duly completed Notice of Variation/Withdrawal to the Share Registrar in the form enclosed with this Offer Document and available on the Company's website, [www.jwi.co.nz](http://www.jwi.co.nz).
- b) Any variation of participation in the Plan in accordance with clause 9(a) will take effect from the next Record Date after the date of receipt of such notice by the Share Registrar.
- c) If a participating shareholder varies the number of shares participating in the Plan, the Notice of Variation/Withdrawal shall have the effect of amending that shareholder's existing Election Notice, which, subject to the changes contained in the Notice of Variation/Withdrawal, shall continue in full force and effect.

**10. Board discretion**

- a) The Board may from time to time and in its sole discretion resolve:
  - i. that the Plan be suspended until such time as the Board resolves to recommence or terminate the Plan;
  - ii. that the Plan be terminated;
  - iii. to recommence the Plan on such terms and conditions as the Board thinks fit if the Board has previously suspended the Plan pursuant to clause 10(a)(i);
  - iv. that the Terms of the Plan be modified. If the Plan is modified then an Election Notice shall be deemed to be an Election Notice under the Plan as modified;
  - v. that the price at which the Additional Shares are to be issued under the Plan shall contain a discount to the weighted average sale price under clause 5(a);
  - vi. that participation in the Plan will not apply to the whole or a part of any cash dividend and that the applicable part will be paid out in cash and not be issued as Additional Shares;
  - vii. that an Election Notice shall cease to be of any effect; and
  - viii. any dispute concerning the Plan.

b) Any modification, suspension or termination of the Plan shall take effect upon the date specified by the Board. Notice of any modification, suspension or termination of the Plan (including any proposed discount to the volume weighted average sale price) shall be given to all shareholders by way of announcement through the NZX market announcement platform. The accidental omission to give notice of any modification, suspension, or termination of the Plan to any shareholders or the non-receipt of any notice by any shareholder shall not invalidate the modification, suspension or termination of the Plan. If the Plan is modified, participation in the Plan shall be participation in the Plan as modified unless the participating shareholder terminates his, her or its participation in accordance with clauses 8 of these Terms.

#### **11. No inside information**

At the time the price for the Additional Shares is set under clause 5, the Company will ensure that it has no information that is not publicly available that would, or would be likely to, have a material adverse effect on the realisable price of the Additional Shares if the information were publicly available.

#### **12. Election Notices effective**

An Election Notice, Notice of Variation/Withdrawal or other notice received by the Share Registrar after a Record Date will not be effective in respect of any dividend payable by reference to that Record Date. However, that notice will be effective from the next Record Date.

#### **13. Annual report and financial statements**

Copies of the Company's most recent annual report and financial statements complying with the Financial Markets Conduct Act 2013 may be obtained free of charge on request from:

Just Water International Limited  
PO Box 221  
Shortland Street  
Auckland  
New Zealand

Phone: (09) 379-2720  
Fax: (09) 379-8587  
Website: [www.jwi.co.nz](http://www.jwi.co.nz)

#### **14. Tax Considerations**

This clause 14 reflects the Company's understanding of the relevant New Zealand tax law as at the date this Offer Document was prepared, and, as such, is subject to any change in New Zealand taxation laws. It is intended as a general guide only and is not an authoritative or complete statement of all potential tax implications for each Shareholder. Taxation is a complex area of law and the taxation consequences for each Shareholder may differ depending upon each Shareholder's particular circumstances. Accordingly, Shareholders should consult their own tax adviser as to the taxation implications of the Plan. The Company, its officers, employees, and advisers, do not accept any responsibility for the financial or taxation effects of any Shareholder's participation or non-participation in the Plan.

For New Zealand tax purposes, New Zealand resident Shareholders who reinvest the net proceeds of their cash dividends to acquire Additional Shares via participation in the Plan should be treated in the same way as if they had not participated. This means that New Zealand resident Shareholders who participate in the Plan should derive dividend income of the same amount that they would have derived had they not participated (i.e. they will be treated as receiving a taxable dividend from the Company which is then applied to acquire Additional Shares under the Plan).

The dividend treated as being received, together with the amount of any attached imputation credits, will be taxable to the Shareholders at their respective marginal tax rates. The Company may deduct resident withholding tax from the dividend. Where the dividend paid by the Company carries imputation credits, the resident withholding tax liability will be reduced by the amount of the imputation credits.

#### **15. Overseas Shareholders**

The Board has elected not to offer participation under the Plan to shareholders whose registered address is outside of New Zealand or Australia as the Board considers that to do so would risk breaching the laws of places outside of New Zealand and Australia or it would be unreasonable having regard to the associated costs or ensuring that the laws of those places were complied with. The Board may elect to amend this policy at any time.

#### **16. Stock Exchange Quotation**

Shares in the Company are currently quoted on the NZAX under stock code "JWI". The Company will apply for quotation of Additional Shares on the NZAX, It is expected that Additional Shares will be quoted on the NZAX upon completion of allotment procedures. NZX accepts no responsibility for any statement in this Offer Document.

#### **17. Dividend Policy**

The Company's intention is to declare a dividend each financial year. The Board reserves the right to amend the Company's dividend policy at any time. Each dividend will be determined by the Board after due consideration of the capital requirements, operating performance, financial position, and cashflows of the Company at the time. The Company's dividend policy can be found on its website at [www.jwi.co.nz/Investors+Information.html](http://www.jwi.co.nz/Investors+Information.html).

#### **18. Governing Law**

The Plan, its operation, and the Terms shall be governed by the laws of New Zealand.

## 19. Definitions

In these terms and conditions, unless the context otherwise requires:

**Additional Shares** mean fully paid ordinary shares (ranking equally with all other fully paid Shares) issued to participating shareholders pursuant to the Plan;

**Board** means the board of directors of the Company;

**Business Day** means a day on which NZAX is open for trading;

**Company** means Just Water International Limited;

**Election Notice** means a Dividend Reinvestment Plan election notice in the form enclosed with this Offer Document, or such other form as the Board may determine from time to time;

**Notice of Variation/Withdrawal** means a Dividend Reinvestment Plan notice of variation/withdrawal in the form enclosed with this Offer Document or such other form as the Board may determine from time to time;

**NZX** means NZX Limited;

**Offer Document** means this offer document;

**NZAX** means the NZX Alternative Market equity security market operated by NZX;

**Participating Shareholder** means a shareholder who has completed and delivered to the Share Registrar an Election Notice (and who has not terminated their participation in the Plan in accordance with the Terms);

**Plan** means the Just Water International Limited Dividend Reinvestment Plan established by the Board on the terms and conditions set out in this Offer Document, as amended from time to time. "Dividend Reinvestment Plan" shall have the same meaning;

**Record Date** means a date fixed by the Board for determining the entitlement of shareholders to a dividend;

**Register** means the share register of the Company required to be kept under section 87 of the Companies Act 1993;

**Shareholder** means a registered holder of shares in Just Water International Limited;

**Share Registrar** means Link Market Services, PO Box 91976, Victoria Street West, Auckland 1142 or such other person as the Board may specify from time to time;

**Shares** mean ordinary shares in Just Water International Limited which are eligible to participate in cash dividends authorised by the Board; and

**Terms** means the terms and conditions of the Plan, as set out in this Offer Document, as amended from time to time.

## 20. Interpretation

In these Terms, unless the contrary intention appears:

- a) the singular includes the plural and vice versa;
- b) reference to monetary sums are reference to New Zealand dollars unless otherwise stated;
- c) headings are inserted for convenience only and shall be ignored in construing these Terms; and
- d) references to clauses are to clauses of these Terms.