

GRES Dividend Reinvestment Plan FAQ

What is the DRP?

The DRP enables eligible shareholders to reinvest dividends paid on their GR Engineering shares into additional GR Engineering shares, rather than receiving those dividends in cash.

Is participation in the DRP optional?

Yes. Participation in the DRP is optional – participation is dependent on the submission of a valid instruction. If no (valid) instruction is received from a GR Engineering shareholder, then that shareholder will not participate in the DRP.

You should obtain your own independent advice before making the decision to participate in the DRP.

Who can participate?

All shareholders with an Australian or New Zealand registered address are eligible to participate in the DRP.

How do I participate in the DRP?

If you wish to participate in the DRP, you can make your election online at <http://www.investorcentre.com/>.

DRP elections must be made by 5.00pm Australian Western Standard time on the first business day following the record date for a dividend, in order to be effective in respect of that dividend. When announcing each dividend, GR Engineering will publish a timetable of relevant dates in relation to the DRP.

Do I have to participate in the DRP for all of my shares?

No, you have a choice of nominating either full participation in respect of all of your shares or partial participation in respect of a specific number of your shares.

Full participation: If you elect full participation, dividends on all your shares will be reinvested in acquiring additional shares. Dividends on any shares you may acquire in the future will also be reinvested in this way.

Partial participation: If you elect partial participation, you nominate the number of your shares that will participate in the DRP. Only the dividends paid on those shares will be reinvested. For shares not participating in the DRP, dividends will be paid in the usual way.

If your DRP election form 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?

Where you have more than one shareholding of shares, each shareholding will be treated as separate for the purposes of the DRP such that a separate application must be lodged either by making an online election or submitting a separate DRP election form for each shareholding.

Is there a minimum or maximum participation level?

No, however GR Engineering has the discretion under the DRP Rules to introduce a minimum or maximum participation level.

When will my participation begin?

You may participate in the DRP at any time. Your participation in the DRP will begin with the first dividend payment after receipt of your DRP election form. Your election must be received by 5.00pm Australian Western Standard Time on the first business day following the record date for a dividend (**DRP election date**), in order to be effective in respect of that dividend. When announcing each dividend, GR

Engineering will publish a timetable of relevant dates in relation to the DRP including the relevant DRP election date.

If your election is received after the DRP election date for a particular dividend, you will not participate in the DRP for that dividend and your participation will begin from the next dividend.

Can I withdraw or change my participation at any time?

Yes. Simply notify Computershare online or via a DRP election form by updating your election preferences. The change will be effective from the next dividend payment, provided that the election is received by the DRP election date for that dividend. If your change is received after the DRP election date, the change will not be effective until the next dividend.

The dividend record date and DRP election date will be announced to ASX and posted on GR Engineering' website at the time GR Engineering announces its dividend timetable.

What type of shares will I get under the DRP?

You will be allocated fully paid ordinary shares in GR Engineering Services Limited, which will rank equally in all respects with existing shares.

Shares issued under the DRP will be issued in accordance with the ASX Listing Rules.

What will be the price of shares allocated under the DRP?

Shares will be allocated under the DRP at the price as outlined in the Rules.

In summary, the price will be the arithmetic average of the volume weighted average price (rounded to the nearest 0.1 of a cent) of shares traded on the ASX during the relevant pricing period. Under the Rules, the pricing period will be 10 trading days commencing on the second trading day following the record date in respect of a relevant dividend.

The announcement by GR Engineering of the price is binding on all participants in the DRP pursuant to the Rules.

The final price for a dividend will be announced to ASX and posted on GR Engineering' website after the price is determined.

Is there a discount?

Under the Rules, GR Engineering may choose to provide a discount in relation to shares allocated under the DRP (which will be announced to ASX along with the details of the relevant dividend).

How is my entitlement calculated?

Following the payment of a dividend by GR Engineering, the dividend payable on your participating shares (less any withholding tax or any other amounts GR Engineering is entitled or required to retain) will be paid into a "DRP account" that will be established for you.

Computershare will then determine the number of shares to be allocated to you by dividing the amount in your DRP account by the price for shares issued under the DRP and rounding that number down to the nearest whole number.

What happens to any residual value after each dividend?

The application of the dividend reinvestment formula normally results in a residual amount. This is because your dividend amount will be used to acquire a whole number of shares, usually leaving a residual amount which is less than the price of one GR Engineering share.

For each dividend, if there is a residual amount, then the residual amount on each dividend will be carried forward in your DRP account, without interest, and added to your next dividend.

How will my DRP shares be treated for subsequent dividend payments?

Full participation: If you elect full participation, all shares held by you at each dividend record date will be treated as participating in the DRP, including any new shares you acquire (including any new shares you acquire under the DRP).

Partial participation: If you elect partial participation, only the number of shares you have specified will be treated as participating in the DRP. If you hold less shares than the number of shares you have specified in the election, then the dividends on the shares that you actually hold will be reinvested.

The number of shares that will be treated as participating in the DRP may be limited if GR Engineering elects to introduce a minimum or maximum participation limit.

What will it cost me to participate?

No brokerage fees, commission or other transaction costs will be payable for any shares acquired under the DRP. You are responsible for all costs associated with seeking independent advice concerning your participation in the DRP.

Can I sell my shares when I choose?

Yes. You can sell any or all of your shares at any time. However, if you sell all of your shares, your participation in the DRP will cease with effect from the date GR Engineering registers a transfer or instrument of disposal of your holding.

If you elect 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 partial participation and then sell some of your shares, the number of shares sold will be deemed to the full extent possible to be non-participating shares and the balance, if any, will be deemed to be participating shares under the DRP.

What are the tax implications of participating?

For tax purposes, dividends reinvested under the DRP are usually assessable for income tax in the same way as cash dividends in both Australia and New Zealand.

GR Engineering takes no responsibility for any taxation liability of participants in the DRP. Shareholders should seek taxation advice specific to their individual circumstances from professional advisers before deciding whether or not to participate in the DRP.

How will I know how many Shares I have been allotted or transferred?

After each allocation of shares under the DRP, a dividend statement will be provided to you in accordance with the manner you ordinarily receive notices from GR Engineering, showing full details of shares allocated to you under the DRP. This statement should be kept for your taxation purposes.

Can the DRP be modified, suspended or cancelled?

GR Engineering may vary the terms and conditions, alter, suspend or terminate the DRP at any time by notification on the Company's website and by notifying the ASX.

What happens if GR Engineering suspends or terminates the DRP or if I leave the DRP?

If GR Engineering suspends or terminates the DRP or if you cease to participate in the DRP for any reason and there is a positive residual balance in your DRP account of \$10 or more, the balance will be paid to you in full. This will also be the case if the DRP is suspended for an extended period or terminated by GR Engineering.

Need more information?

If you have further questions about how the DRP operates and how you can participate, please contact Computershare Investor Services on 1300 171 785 (within Australia) or +61 3 9415 4078 (outside Australia) or at www.investorcentre.com/GNG.