PRECISION | FUNDS MANAGEMENT

PRECISION OPPORTUNITIES FUND LTD
DIVIDEND REINVESTMENT PLAN

DIVIDEND REINVESTMENT PLAN – TERMS AND CONDITIONS

1. ELIGIBILITY

1.1 Eligibility

Subject to clause 1.2, all Shareholders are eligible to participate in the Plan.

1.2 Shareholders resident outside Australia

(a) Allotments of Shares to Shareholders who are not resident in Australia at the time of allotment are subject to all necessary governmental approvals.

(b) A Shareholder who is subject to the laws of a country or a place other than Australia may not be eligible to participate in the Plan because of legal requirements that apply in that country or place.

(c) Before electing to participate in the Plan, Shareholders who are not resident in Australia should seek professional advice to ascertain if any restrictions apply.

(d) The Directors may on any occasion determine that the right to participate in the Plan is not available to Shareholders:

(i) whose registered addresses are in a country or place where the offer of a right of election would or might be unlawful if no registration statement is given or other formality complied with; or

(ii) if in the opinion of the Directors either the law of Australia or that of another country or some other matter or thing in the opinion of the Directors makes Shareholders' participation illegal, impossible or impracticable.

2. PARTICIPATION IN THE PLAN

2.1 Participation

Participation in the Plan is:

(a) optional;

(b) not transferable; and

(c) subject to the Terms and Conditions.

2.2 Opportunity to Participate

The Company must:

(a) give those Shareholders who have not previously been given an opportunity to participate in the Plan, an opportunity to do so, prior to each Dividend being resolved;

(b) give each Non-Participant, with their dividend notice, an opportunity to become a Participant in respect of any future Dividends to be distributed by the Company; and

(c) allow any Shareholder to elect at any time to become a Participant.

2.3 Election to Participate

An Election to participate in the Plan must be made on an Election Form.

3. DEGREE OF PARTICIPATION

3.1 Full or Partial Participation

A Shareholder may participate in the Plan in respect of either:

(a) some of the Shares registered in its name (**Partial Participation**); or

(b) all Shares registered in its name (**Full Participation**).

3.2 Election Form

A Shareholder must specify on the Election Form the degree to which the Shareholder wishes to participate in the Plan by:

(a) indicating Full Participation; or

(b) indicating how many Shares the Shareholder wishes to have participate in the Plan for Partial Participation.

3.3 Full Participation

In the case of Full Participation, all Shares registered in the Participant's name at the time of commencement of the Full Participation and all Shares subsequently registered in the Participant's name (including Shares issued pursuant to the Plan) will be subject to the Plan.

3.4 Partial Participation

In the case of Partial Participation, only that number of Shares indicated by the Participant for participation in the Plan and Shares issued pursuant to the Plan will be subject to the Plan.

3.5 Deemed Full Participation

An Election Form received by the Company which indicates a number of Participating Shares in excess of the number of Shares held by the Shareholder making the Election, is deemed to be an Election for Full Participation.

3.6 Failure to indicate degree of participation

An Election which does not indicate the degree of participation in the Plan, may, without notice to the Shareholder and at the discretion of the Company, either be rejected or deemed by the Company to be an Election for Full Participation.

The Company is not liable to any Shareholder for any loss, damage or claim in respect of either the Shareholder's Participation or Non-Participation, as the case may be, pursuant to the exercise or manner of exercise by the Company of such discretion.

3.7 Excluded Shares

Excluded Shares will not participate in the Plan.

3.8 Cessation of Participation of Shares upon Sale or transfer

Shares which are sold or otherwise transferred to a new owner will cease to participate in the Plan on registration of the transfer by or on behalf of the Company.

4. MINIMUM PARTICIPATING HOLDING AND MAXIMUM PARTICIPATING HOLDING

4.1 The Directors may determine a minimum permitted number of Participating Shares per Participant (whether in respect of a particular Dividend or Dividends generally) from time to time.

4.2 The Directors may determine a maximum permitted number of Participating Shares per Participant (whether in respect of a particular Dividend or Dividends generally) from time to time.

4.3 To the extent that an Election Form has specified a number of Participating Shares in excess of the prevailing Maximum Participating Holding (including an election of Full Participation where the number of Participating Shares would otherwise exceed that limit), for so long as that limit applies:

(a) the number of Participating Shares for that Participant for the purposes of this Plan is deemed to be that limit; and

(b) any Shares specified in the Election Form as Participating Shares in excess of that limit (including an election of Full Participation where the number of Participating Shares would otherwise exceed that limit) are deemed not to be Participating Shares, and any Dividend payable in respect of them will be paid by the Company in accordance with its usual arrangements for the payment of Dividends.

4.4 To the extent that an Election Form has specified a number of Participating Shares less than a prevailing Minimum Participating Holding (including an election of Full Participation where the number of Participating Shares would otherwise be less than that limit), for so long as that limit applies:

(a) the number of Participating Shares for that Participant for the purposes of this Plan is deemed to be zero; and

(b) any Shares specified in the Election Form as Participating Shares less than that limit (including an election of Full Participation where the number of Participating Shares would otherwise be less than that limit) are deemed not to be Participating Shares, and any Dividend payable in respect of them will be paid by the Company in accordance with its usual arrangements for the payment of Dividends.

5. OPERATION OF THE PLAN

5.1 Account

The Company will establish and maintain a Plan Account in respect of each Participant. For each Dividend payable to a Participant, the Company will:

(a) determine the amount of Dividend payable to the Participant in respect of the Participant's Participating Shares and credit that amount to the Participant's Plan Account;

(b) determine (where applicable) the Australian withholding tax in respect of that Dividend, and any other sum that the Company is entitled to or required to retain in respect of the Participating Shares and debit that amount from the Participant's Plan Account;

(c) determine the maximum number of Shares in accordance with the entitlement formula outlined in clause 5.4; and

(d) on behalf of the Participant subscribe for or otherwise acquire, in terms of the deemed direction described in clause 5.2 below, and allot and transfer that number of Shares calculated in accordance with clause 5.1(c) above and debit the Participant's Plan Account with the amount calculated as the Dividend Reinvestment Price multiplied by the number of allotted or transferred Shares.

5.2 Deemed Directions by Shareholder

A Shareholder who applies to participate in the Plan will, in making his or her election, be deemed to have directed the Company to apply for or otherwise acquire the number of Shares as is determined by the application of the formula in clause 5.4.

5.3 Issue New Shares or Purchase Existing Shares

The Directors in their absolute discretion will determine, with respect to the operation of the Plan for any Dividend, whether to issue new Shares or to cause the purchase and transfer of existing Shares, or to apply a combination of both options, to satisfy the Company's obligations under these Terms and Conditions.

If the Directors determine to cause the purchase of Shares and their transfer to Participants, the Shares may be acquired as the Directors consider appropriate. The Company, if it so chooses, may create a trust (of which the Participants are the beneficiaries) to acquire the Shares and then transfer or sell such Shares to the Participants.

5.4 Allotment

Subject to clause 5.5, each Dividend payable to a Participant in respect of Participating Shares and available for payment to the Participant will, upon payment, be applied by the Company on the Participant's behalf in subscribing for that number of Shares ascertained from the following formula:

$$S = \frac{PxE}{M}$$

Where:

"S" is the number of Shares to be allotted to the Participant;

"P" is the number of Participating Shares registered in the name of the Participant to which the allotment relates;

"E" is the Dividend per Share declared by the Directors on Dividend Shares less any withholding tax or other sum the Company is entitled to deduct or retain in relation to the Dividend or the Participating Shares; and

"M" is the Dividend Reinvestment Price.

5.5 Fractional Entitlements

Where a fraction of a Share results from the calculation required under clause 5.1, the cash value of the fractional entitlement will be carried forward in your DRP account and added to your next dividend for the purposes of calculating your DRP shares. If you terminate participation in the DRP for any reason, any residual cash balance of fractional entitlements will be paid out as a cash payment with your next divided.

6. SHARES ALLOTTED UNDER THE PLAN

Shares allotted under the Plan will:

(a) be allotted in accordance with the ASX Listing Rules (if applicable) and the Company's Constitution;

(b) rank equally in all respects with existing Participating Shares of the same class; and

(c) be registered on a share register.

7. STOCK EXCHANGE LISTING

The Company will apply, promptly after an allotment, for the Shares allotted under the Plan to be listed for quotation on the official lists of the ASX and any other stock exchanges on which the Shares of the Company are listed (as applicable). This clause shall only apply if the Company is admitted to the official list of the ASX or any other recognised stock exchange.

8. COSTS TO PARTICIPANTS

No brokerage, commission, stamp duty or other transaction costs will be payable by Participants in respect of any allotment of Shares under the Plan.

9. STATEMENTS TO THE PARTICIPANTS

As soon as practicable after each allotment of Shares pursuant to the Plan, the Company (or their registry on their behalf) will send each Participant to whom Shares have been allotted a statement setting out:

(a) the number of the Participant's Participating Shares at the relevant Closing Date;

(b) the Dividend payable in respect of that Participant's Participating Shares;

(c) if applicable, the amount of withholding tax or other amount under clause 5.1(b) which has been deducted from the Dividend payable to the Participant;

(d) the number of Shares allotted under the Plan in relation to the allotment to which the statement relates and the date on which the Shares were allotted;

(e) the price at which each Share pursuant to the Plan was issued;

(f) the franked amount (if any) of the Dividend and the franking credit (if any) attaching to the Dividend;

(g) subject to any Share transaction in which the Participant may have engaged after the Closing Date, the total number of Participating Shares (including the Plan Shares) which the Participant holds after the issue; and

(h) any other matters required by law to be included in a statement confirming the transaction.

10. VARIATION OR TERMINATION OF PARTICIPANT'S PARTICIPATION

10.1 Notice of Variation or Termination

Subject to clause 13, a Participant may at any time give notice to the Company to:

(a) increase or decrease the number of his or her Participating Shares; or

(b) terminate his Participation,

by completing and returning a Variation Form to the Company.

10.2 Death, Bankruptcy or Liquidation of Participant

On receipt by the Company of a notice of the death, bankruptcy or liquidation of a Participant, the Participation by the Participant and any other Participants with whom the Participant was a joint holder, will terminate.

10.3 Participant ceasing to be Shareholder

If a Participant ceases to be a Shareholder in respect of any Participating Shares, its Participation will terminate at such time as this matter of ineligibility comes to the attention of the Company.

11. VARIATION, SUSPENSION, RECOMMENCEMENT AND TERMINATION OF THE PLAN

(a) This Plan may be:

(i) varied;

(ii) suspended;

(iii) recommenced; or

(iv) terminated,

by the Directors (subject to the ASX Listing Rules (if applicable) and the Company's Constitution) at any time.

(b) A variation, suspension, recommencement or termination of the Plan will take effect:

(i) on such date as the Directors determine; and

(ii) in the case of a suspension, until such time as the Directors resolve either to recommence or terminate the Plan.

(c) Any variation, suspension, recommencement or termination of the Plan, will not give rise to any liability on the part of, or right of action against, the Company or its Directors.

(d) If the Plan is varied, a Participant continues to participate under the modified Plan (with such modifications to the Participant's specified number of Participating Shares, if any, as is required by the modification) unless the Participant notifies the Company to the contrary by completing and submitting a Variation Form.

(e) If the Plan is suspended, Participants' elections as to participation in the Plan will cease to be effective and all Shares will be deemed to be Non-Participating Shares for the purpose of any Dividend declared while the Plan is suspended. If the Plan remains suspended for two or more consecutive Dividend Payment Dates, then any Election Form previously lodged by each Participant will be deemed void.

(f) If the Plan is recommenced following a suspension for:

(i) less than two consecutive Dividend Payment Dates, the Participant's previously suspended Election Form will be reinstated and be valid and effective, unless determined otherwise by the Company and notified to Participants; or

(ii) two or more consecutive Dividend Payment Dates, each Participant who wishes to participate in the recommenced Plan must complete and return a new Election Form, in accordance with clause 3.2.

(g) The Company will give notice of:

(i) at least two months to Shareholders of termination or variation of the Plan;

(ii) suspension or recommencement of the Plan as soon as reasonably practicable prior to the effective date,

the accidental omission to give notice of variation, suspension or termination to any Participant or the non-receipt of any notice by a Participant will not invalidate the variation, suspension or termination or the Plan or any issue, allotment or transfer of Shares under the Plan.

12. REDUCTION OR TERMINATION WHEN NO NOTICE IS GIVEN

(a) Shares transferred by a Participant will be taken to comprise:

(i) firstly, Non-Participating Shares; and

(ii) secondly, Participating Shares to the extent the number of Shares transferred exceeds the number of Non-Participating Shares,

(iii) unless the Participant notifies the Company otherwise.

(b) Where a Participant transfers all of his or her Shares without giving prior notice of termination of Participation to the Plan, the Participant is deemed to have given notice to terminate his Participation in the Plan on the last date when the Company registered the relevant transfer or instrument of disposal of the Participant's Shares.

(c) Where a Participant transfers Participating Shares, those Participating Shares shall, upon registration of the transfer, cease to be Participating Shares.

13. ELECTION AND NOTICES

13.1 Form

(a) All Elections and notices required by this Plan must be in writing or electronic, or in such form as the Company may from time to time require.

(b) Elections must be made and notices must be given by the Participant separately in respect of each holding of the Shares identified by a separate holder in the books of the Company.

13.2 Joint Shareholders

Where Shares are held jointly, all Elections and notices must be signed by all joint Shareholders.

13.3 Effective

An Election and notice will be effective on receipt by the Company subject to:

(a) these Terms and Conditions;

(b) acceptance by the Directors in the case of an Election;

(c) subject to paragraph (d) of this clause, receipt by the Company on or before 5:00 pm (WST) on the relevant Election Date; and

(d) such other restrictions which the Directors may from time to time impose.

14. NOTICES AND ANNOUNCEMENTS RELATING TO THE PLAN

14.1 Notice

Any notice or announcement relating to the Plan may be effected by the following:

(a) by notice to ASX, for release to the market; or

(b) by notice to Participants (or if the Company so decides to all Shareholders) in accordance with the provisions regarding the giving of notice to Shareholders in the Company's Constitution.

Any such notice is effective from the date it is given.

14.2 Settling Disputes

The Directors may settle, in such manner as they think expedient, any difficulties, anomalies or disputes which may arise in connection with, or by reason of, the operation of this Plan whether generally or in relation to any Participant or any Shares and the determination of the Directors is conclusive and binding on all Participants and other persons to whom the determination arises.

15. CONSISTENCY WITH THE TRADING RULES

15.1 Company as Listed Entity

For so long as the Company remains admitted to the official list of ASX, despite anything else contained in these rules:

(a) if the Trading Rules prohibit an act being done by the Company, the act must not be done;

(b) nothing contained in these Terms and Conditions prevents an act being done by the Company that the Trading Rules require to be done;

(c) if the Trading Rules require these Terms and Conditions to contain a provision and they do not contain that provision, these Terms and Conditions are taken to contain that provision;

(d) if the Trading Rules require that these Terms and Conditions do not contain a provision and they do contain that provision, these Terms and Conditions are deemed not to contain that provision; and

(e) if any of these Terms and Conditions are or become inconsistent with the Trading Rules, these Terms and Conditions are taken not to contain that provision to the extent of the inconsistency.

15.2 Application of Trading Rules

If the Company is not admitted to the official list of ASX, the ASX Market Rules and Trading Rules will not apply and a reference to the application of the ASX Market Rules and Trading Rules in this Plan shall be disregarded.

16. TAXATION

(a) Neither the Company nor its Directors, officers, employees, representatives or agents take any responsibility or assume any liability for the taxation liabilities of Participants.

(b) As individual circumstances and laws vary considerably, specific taxation advice from professional advisers should be obtained by each Participant.

17. GENERAL

The Plan does not apply in any case where, in accordance with the Constitution of the Company or otherwise by law:

(a) the Directors are entitled to retain all or part of a Dividend payable in respect of Shares which a Participant has nominated as participating in the Plan; or

(b) the Company is entitled to a charge over such Shares or over any Dividend payable in respect thereof.

18. GOVERNING LAW

This Plan shall be governed by and construed in accordance with the law from time to time in the State of Western Australia and the Parties agree to submit to the non-exclusive jurisdiction of the courts of Western Australia and the courts which hear appeals there from.

19. DEFINITIONS AND INTERPRETATION

19.1 Definitions

When used in this Plan the following words have the following meanings:

ASX means ASX Ltd (ABN 98 008 642 69).

ASX Market Rules means the market rules of ASX as waived or modified from time to time.

Business Day means the day on which the banks are open for general banking business in the Perth, Western Australia.

Closing Date means the date on which the Company's share register is closed for the purposes of determining Shareholder entitlements to Dividends to which any proposed allotment under this Plan will relate, as notified by the Company from time to time.

Company means Precision Opportunities Fund Ltd (ACN 613 479 262).

Directors mean the directors of the Company.

Dividend means a cash dividend or cash component of a dividend paid by the Company.

Dividend Payment Date means the date on which a Dividend is payable, as announced by the Directors.

Dividend Reinvestment Price means:

The Dividend Reinvestment Price will be at a 5% discount to the last prevailing Net Tangible Asset Per Share (NTAPS) price of the immediately preceding period as determined by the board.

Dividend Shares means Shares (including Participating Shares) upon which a Dividend is payable.

Election means a request made by a Shareholder (or Shareholders in the case of joint holdings) to the Company on an Election Form in accordance with clause 13.

Election Date means the Business Day immediately after the relevant Closing Date.

Election Form means the form set out in **Schedule 1** or such other form approved by the Directors from time to time, which may (without limitation) be combined with or form part of any other form or notice.

Excluded Shares means Shares which, on any Closing Date, are not eligible to receive a full Dividend on the relevant allotment date.

Excluded Transaction means sale of Shares other than in the ordinary course of trading on ASX, including each of the following:

(a) a transaction classified under the ASX Market Rules as a "Special Crossing";

(b) a "Crossing" (as defined in the ASX Market Rules) outside the "Open Session State" (as defined in the ASX Market Rules);

(c) any overseas trade;

(d) any trade pursuant to the exercise of options over Shares;

(e) any overnight crossing; and

(f) any other sales which the Company considers may not be reflective of natural supply and demand.

Full Participation has the meaning set out in clause 3.3.

Listing Rules means the listing rules of ASX and any other rules of ASX which are applicable while the Company 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.

Non-Participant means a Shareholder who is not a Participant.

Non-Participating Shares means Shares that are not Participating Shares.

Non-Participation means where a Shareholder does not participate in the Plan to any degree of their shareholding.

Partial Participation has the meaning set out in clause 3.4.

Participant means a Shareholder participating in the Plan.

Participating Shares means Shares in respect of which the Shareholder is participating in the Plan.

Participation means Full Participation or Partial Participation.

Plan means the dividend reinvestment plan constituted by this document and incorporating these Terms and Conditions.

Shareholder means a person holding Shares as at the Closing Date.

Share means a fully paid redeemable preference share in the capital of the Company and such other share in the Company as the Directors may from time to time determine and **Shares** means the plural of the same.

Terms and Conditions means the terms, provisions and conditions of this Plan as may be amended from time to time pursuant to clause 111.

Trading Day means the definition given to that expression in the Listing Rules (if applicable) or a trading day on the low-volume financial market operated by the Company where the Shares of the Company may be traded, provided that:

(a) any day on which there is a trading halt on the Shares, or during which trading in the Shares is suspended, for the entire day will not be a Trading Day; and

(b) if there is a trading halt on the Shares, or trading in the Shares is suspended, for only part of the day, the Directors will determine at its discretion whether that day will be a Trading Day.

Trading Rules means:

(a) the Listing Rules; and

(b) the ASX Settlement Operating Rules (or other operating rules of a clearing and settlement facility that is a prescribed CS facility under the *Corporations Act 2001* (Cth)).

Variation means a request made by a Shareholder (or Shareholders in the case of joint holdings) to the Company on a Variation Form in accordance with clause 100.

Variation Form means the form set out in **Schedule 1**, or such other form approved by the Directors from time to time, which may (without limitation) be combined with or form part of any other form or notice.

WST means Western Standard Time.

19.2 Interpretation

In this Plan unless the context otherwise requires:

(a) headings are for convenience only and do not affect its interpretation;

(b) an obligation or liability assumed by, or a right conferred on, 2 or more persons binds or benefits each of them severally;

(c) the expression **person** includes an individual, the estate of an individual, a corporation, an authority, an association or joint venture (whether incorporated or unincorporated), a partnership and a trust;

(d) a reference to any party includes that party's executors, administrators, successors and permitted assigns, including any person taking by way of novation;

(e) a reference to any document (including this Plan) is to that document as varied, novated, ratified or replaced from time to time;

(f) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;

(g) words importing the singular include the plural (and vice versa) and words indicating a gender include every other gender;

(h) reference to parties, clauses, schedules, exhibits or annexures are references to parties, clauses, schedules, exhibits and annexures to or of this Plan and a reference to this Plan includes any schedule, exhibit or annexure to this Plan;

(i) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;

(j) a reference to time is to Western Standard Time as observed in Perth, Western Australia;

(k) where an action is required to be undertaken on a day that is not a Business Day it shall be undertaken on the next Business Day;

(l) a reference to a payment is to a payment by electronic funds transfer (EFT) or such other form of cleared funds the recipient otherwise allows in the relevant lawful currency specified; and

(m) a reference to **$** or **dollar** is to the lawful currency of the Commonwealth of Australia.

SCHEDULE 1
ELECTION FORM / VARIATION FORM

Precision Opportunities Fund Ltd

Return your information:

Online:
www.investorcentre.com

By Mail:
Computershare Investor Services Pty Limited
GPO Box 2975 Melbourne
Victoria 3001 Australia

Enquiries:
(within Australia) 1300 850 505
(international) +61 3 9415 4000

Please enter name and address in box below:

Please enter holder number in box below:

For your security keep your SRN/HIN confidential.

Dividend Reinvestment Plan

Use a black pen.
Print in CAPITAL letters inside the grey areas. A B C 1 2 3

Where a choice is required, mark the box with an 'X' X

A Dividend Reinvestment Plan (DRP)

X **ALL** Please mark this box with an 'X' if you wish all of your holding to participate in the company's DRP.

X **PART** Show the number of securities you wish to participate in the company's DRP.

B Sign Here - This section must be signed for your instructions to be executed.

I/We authorise you to act in accordance with my/our instructions set out above. I/We acknowledge that these instructions supersede and have priority over all previous instructions in respect to my/our securities. Where I/we have indicated participation in the Dividend Reinvestment Plan, I/we hereby agree to be bound by the Terms and Conditions of the Dividend Reinvestment Plan.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Director	Director/Company Secretary	Sole Director and Sole Company Secretary

Note: When signed under Power of Attorney, the attorney states that they have not received a notice of revocation. Computershare Investor Services Pty Limited needs to sight a certified copy of the Power of Attorney.

Date - Day / Month / Year

DI001

How to complete this form

A

Dividend Reinvestment Plan (DRP)

Complete this section if you wish to have your cash dividends reinvested in the form of more company securities.

If you wish to reinvest all of your securities in the company's DRP, please cross the box marked ALL.

If you wish to reinvest part of your securities in the company's DRP, please show the number of securities that you wish to participate.

Please note that an election to participate fully in the Dividend Reinvestment Plan will override any instruction on the registry record regarding direct payment of cash dividends into a nominated account.

This instruction only applies to the specific holding identified by the SRN/HIN and the name appearing on the front of this form.

B

Signature(s)

If you have chosen to have your cash dividends fully or partially reinvested into company securities and you have completed Section A, you must sign this form as follows in the spaces provided:-

Joint Holding:	where the holding is in more than one name, all of the securityholders must sign.
Power of Attorney:	to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
Companies:	where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

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Please return the completed form to:

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne VIC 3001
Australia