

Dividend Reinvestment Plan Rules

DKN Financial Group Limited

BAKER & MCKENZIE

Solicitors

Level 39, Rialto

525 Collins Street

MELBOURNE VIC 3000

Tel: (03) 9617-4200

Fax: (03) 9614-2103

Email: josephine.tan@bakernet.com



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Contents

Clause Number	Heading	Page
1	Background	1
2	Definitions & Interpretation	1
3	Commencement	3
4	Eligibility	3
5	Degree of participation	4
6	Acceptance of applications	4
7	Reinvestment of dividends	4
8	Issue or transfer of Shares	6
9	Variation or termination of participation	6
10	No limit on subscription	7
11	Modification, suspension and termination of the Plan	7
12	Administration of the Plan	7
13	ASX Listing	8
14	Plan rules are binding on participants	8
15	Costs to participants	8
16	Notices	8
17	Governing law	8

1 Background

- 1.1 The purpose of this Plan is to provide holders of Shares with the opportunity to reinvest all or part of their Dividends and to acquire additional Shares whilst the Company is listed on ASX.
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2 Definitions & Interpretation

Definitions

- 2.1 In these Rules, the following terms will have these meanings, unless the contrary intention appears:

Allocation means the issue of new Shares to Participants under the Plan or transfer of Shares acquired on ASX for the purposes of the Plan to the Participants under the Plan, as the case may be;

Application means the application to participate, vary participation or terminate participation in the Plan in respect of a particular shareholding account, in the form that the Board approves from time to time;

ASX means ASX Limited (ACN 008 624 691) or the securities market which it operates, as the context requires;

ASX Market Rules means the operating rules of the financial market administered by the ASX, as enforced from time to time.

Average Market Price during a period means:

- (a) the volume weighted average sale price per Share of Shares sold on the ASX automated trading system during that period rounded to the nearest cent; or
- (b) if at the absolute discretion of the Board, the amount calculated in (a) above is not considered to represent the then fair market value of the Shares, the amount determined by the Board as the then fair market value of the Shares.

When calculating the Average Market Price, the Board will exclude trades otherwise than in the ordinary course of trading (including any transaction defined in the ASX Market Rules as "special", crossings prior to the commencement of normal trading, crossings during the closing phase and the after hours phase, exercises of options over Shares, any overnight crossings and any other sales which the Board considers may not be fairly reflective of natural supply and demand);

Board means the board of directors of the Company;

Company means DKN Financial Group Limited (ACN 008 112 150);

Discount means the percentage discount determined by the Board from time to time to be applied in calculating the price at which the Shares will be issued in accordance with Rule 7.4 and which is initially 5%;

Dividend means any dividend announced and payable by the Company;

Dividend Payment Date means the date on which the Company pays a dividend in respect of the Shares;

Eligible Shareholder means a person registered as the holder of at least the minimum number of Shares as specified by the Board (if any) from time to time other than a person with a registered address in any place where, in the opinion of the Board, participation in or the making of an offer or invitation to participate in the Plan would require the issue of a prospectus under overseas law or such other regulatory compliance which the Board determines to be excessive or impracticable;

Ex Dividend Date means the first day on which Shares trade on ASX without an entitlement to the relevant Dividend;

Participant means an Eligible Shareholder whose Application in respect of a particular shareholding account has been accepted by the Board for the purposes of the Plan;

Plan means the Company's dividend reinvestment plan, the terms of which are set out in these Rules, as varied from time to time;

Plan Shares means the Shares in a particular shareholding account which are designated by a Participant or are deemed under the Rules as Shares for which the dividend is to be applied in subscribing for Shares under the Plan;

Pricing Period means the period of 5 (five) Trading Days commencing on the Ex Dividend Date for the relevant Dividend, or such other period as the Board may determine from time to time in its discretion;

Record Date means the date that the Company determines entitlements for the relevant Dividend;

Rules means these rules of the Plan as varied from time to time;

Shares means fully paid ordinary shares in the capital of the Company and includes any shares held from time to time under any of the Company's employee share schemes by whatever name called; and

Trading Day means a full day on which Shares are quoted, and not suspended from quotation or made subject to a trading halt on ASX.

Interpretation

2.2 In these Rules, unless a contrary intention appears:

- (a) the singular includes the plural and vice versa and a reference to a gender includes other genders;
- (b) a reference to a person includes a corporation, firm or body of persons recognised by law and that person's successors, assignors and legal personal representatives; and
- (c) other grammatical forms of defined terms or phrases have corresponding meanings.

3 Commencement

- 3.1 The Plan and these Rules commence operation on such date as the Board in its sole discretion determines.

4 Eligibility

- 4.1 No person other than an Eligible Shareholder may apply to participate in the Plan.
- 4.2 Participation in the Plan is optional and is not transferable.
- 4.3 Every Eligible Shareholder who wishes to participate in the Plan must lodge an Application with the Company. An Eligible Shareholder's Participation may be varied or terminated at any time in accordance with Rule 9.
- 4.4 If Shares are jointly held by two or more Eligible Shareholders, all joint holders of such Shares must sign a single Application for it to be valid. If one or more of the joint holders of the Shares is not an Eligible Shareholder, none of the joint holders can apply to participate in the Plan with respect to the Shares jointly held.
- 4.5 If an Eligible Shareholder has more than one holding of Shares, an Application must be lodged for each shareholding account, and each shareholding account of an Eligible Shareholder will be treated separately for all purposes under the Plan.
- 4.6 The Board is entitled to refuse participation in the Plan where an Eligible Shareholder has in the opinion of the Board split a shareholding or acquired Shares as part of such a split in order to increase the number of Plan Shares that may be obtained under the Plan.
- 4.7 The Board has the discretion to refuse to accept any person's Shares for participation in the Plan and to suspend or withdraw any person's Shares from participation if the Board considers that the participation of those Shares might lead to:
- (a) foreign persons or associates of foreign persons acquiring a substantial interest or an aggregate substantial interest in the Company for the purposes of *Foreign Acquisitions and Takeovers Act 1975* (Cth); or
 - (b) a person acquiring a relevant interest in issued voting shares of the Company that would result in that person's or someone else's voting power contravening Chapter 6 of the *Corporations Act*.
- 4.8 The Board is entitled to make a final determination as to whether any particular person is an Eligible Shareholder within the terms of these Rules or not, and to change any such determination, as and when it sees fit. 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.

5 Degree of participation

- 5.1 An Eligible Shareholder must specify on the Application the degree to which they wish to participate in the Plan in respect of the nominated shareholding account. Participation may be:
- (a) full participation for all the Participant's Shares from time to time, including Shares allocated under the Plan; or
 - (b) partial participation for a specified number of Shares or a percentage of Shares held by the Participant at the relevant time as specified in the Application.
- 5.2 Applications received by the Company which do not indicate the shareholding account to which the Application relates and/or the degree of participation in the Plan will, without notice to the applicant, be deemed to be an application for full participation in the Plan for all of the applicant's shares.
- 5.3 All Shares subsequently acquired by, or issued to, the Participant will without notice be deemed to be participating Plan Shares unless and until an Application varying or terminating participation is received by the Company.

6 Acceptance of applications

- 6.1 The Board may in its absolute discretion accept or refuse any Application.
- 6.2 Each Application accepted by the Board will be effective in respect of the first Dividend payment after receipt of the Application, provided it is received before the Record Date for that Dividend.
- 6.3 The Company will record for each Participant particulars of:
- (a) the name and address of the Participant; and
 - (b) the number of Plan Shares held by the Participant from time to time,
- and the Company's records will be conclusive evidence of the matters so recorded.

7 Reinvestment of dividends

- 7.1 Dividends on Plan Shares will be applied by the Board on the Participant's behalf in subscribing for Shares. Any sum that the Company is entitled to retain in relation to the Dividend or the Plan Shares whether under its constitution or otherwise will not be available for subscribing for Shares.
- 7.2 At the time of Dividend payment, the Board will:
- (a) determine the amount of any residual balance remaining from previous Dividends;
 - (b) determine the Dividend payable in respect of the Plan Shares;
 - (c) determine the amount of the Dividend, if any, the Company is entitled to retain in respect of the Plan Shares;

- (d) determine the maximum whole number of Shares which can be acquired under these Rules; and
- (e) subscribe for or purchase Shares in the name of the Participant.

7.3 Subject to Rules 7.1 and 7.2, the number of Shares issued to each Participant will be:

$$N = \frac{D + R}{P}$$

where:

- N is the number of Shares to be issued;
- D is the Dividend payable on the Participant's Plan Shares as at the Record Date for that Dividend;
- R is the residual balance (if any) from the previous Dividend on the Participant's Plan Shares;
- P is the Price at which Shares are to be issued as determined in accordance with Rule 7.4.

7.4 The price at which Shares are issued will be the Average Market Price for the Pricing Period less the Discount as the Board determines from time to time rounded to the nearest cent.

7.5 Where a fraction of a Share results from the application of the formula in Rule 7.3, that fraction will be rounded down to the nearest whole number and the remaining Dividend not applied will be carried forward as a residual balance on the Participant's Plan Shares.

7.6 The price at which Shares are issued and the Discount as determined by the Board in respect of this Plan for a particular Dividend Payment Date may differ from the issue price and any discount determined by the Board in respect of this Plan for any other particular Dividend Payment Date.

7.7 The Company will send to each Participant a combined dividend statement and holding statement following the issue of Shares under the Plan setting out the following information:

- (a) the number of the Plan Shares on the Record Date for the relevant Dividend;
- (b) the price at which the Shares were issued;
- (c) the Dividend payable in respect of Plan Shares which has been applied towards subscription for additional Shares;
- (d) the franked amount (if any) of the Dividend and the franking credit (if any) attached to the Dividend;
- (e) the imputation credit (if any) attached to the Dividend;
- (f) the number of additional Shares allocated under the Plan;
- (g) the number of Shares (including Plan Shares) of which that Participant is the registered holder after the Allocation; and
- (h) the amount of any residual balance on the Participant's Plan Shares.

8 Issue or transfer of Shares

- 8.1 In the operation of the Plan for any Dividend, the Company may, in the Board's complete discretion, either issue new Shares or cause existing Shares to be acquired on ASX for transfer to the Participants, or a combination of both alternatives, to satisfy the Company's obligations under these Rules.
- 8.2 If the Company determines to cause the transfer of Shares to Participants, the Shares may be acquired on ASX in such manner as the Company considers appropriate.
- 8.3 All Shares allocated under the Plan will from the date of the Allocation rank equally in all respects with existing Shares and will participate in all Dividends subsequently declared.
- 8.4 Shares to be allocated under the Plan will be allocated at or as soon as practicable after the Dividend Payment Date and will be credited directly to the Participant's holding.
- 8.5 If a Participant disposes of all of the Participant's Shares, the amount of any residual balance held on the Participant's behalf by the Company will become the property of the Company. The Company may accumulate these residual balances until such time as it considers it appropriate to pay them to a charity chosen by the Board.

9 Variation or termination of participation

- 9.1 A Participant may increase or decrease the number of the Participant's Plan Shares or a Participant may commence or terminate participation in the Plan by lodging an Application at any time or notifying the Company of the Participant's variation or termination of participation in the Plan in such form as the Company may require. To be effective for a forthcoming Dividend, an Application must be received by the Company before the Record Date for that Dividend.
- 9.2 If a Participant disposes of all its Shares and is not registered as a holder of any Shares as at the Record Date for a Dividend, the Participant will be deemed to have terminated participation in the Plan on the last date when the Company registered the transfer for the disposal of the Participant's Shares.
- 9.3 If a Participant disposes of part of the holding of Shares of that Participant, and does not notify the Company otherwise, the Shares disposed of are deemed to be Shares not participating in the Plan. If the number of Shares disposed of is more than the number of the Participant's Shares not participating in the Plan, the disposal is deemed to include all the Participants' Shares not participating in the Plan, and the balance (if any) will be attributed to Plan Shares.
- 9.4 When a Participant acquires, or is issued, additional Shares and does not notify the Company otherwise, those Shares will be taken to be Plan Shares.
- 9.5 If a Participant dies, participation in the Plan terminates upon receipt by the Company of written notice of the death. If a Participant is declared bankrupt or is wound-up, participation in the Plan terminates upon receipt by the Company of a notification of bankruptcy or winding-up from the Participant or the Participant's trustee in bankruptcy or liquidator, as the case may be. The death, bankruptcy or winding-up of one or more joint holders does not automatically terminate participation provided the remaining holder or all remaining joint holders are Eligible Shareholders.

- 9.6 If a Participant terminates, or is deemed to have terminated, its participation in the Plan, the amount of any residual balance held on that Participant's behalf by the Company will become the property of the Company, unless the Board determines otherwise. The Company may accumulate such residual balance until such time as it considers it appropriate to pay it to a charity chosen by the Board.

10 No limit on subscription

- 10.1 The Board may not limit the number of Shares (either by number or in terms of total subscription price) for which a Participant may subscribe at a particular time.

11 Modification, suspension and termination of the Plan

- 11.1 The Plan may be modified, suspended or terminated by the Board at any time after posting a notification on the Company's website and giving notice to the ASX.
- 11.2 The variation, suspension or termination takes effect upon the date specified by the Board and the variation, suspension or termination does not give rise to any liability on the part of, or right of action against, the Board of the Company or any of its officers, employees or agents.
- 11.3 The accidental omission to give notice of modification, suspension or termination will not invalidate the modification, suspension or termination of the Plan.
- 11.4 If the Plan or these Rules are varied, a Participant continues to participate under the Plan and these Rules in their varied form unless the Participant terminates its participation in the Plan by submitting an Application in accordance with these Rules.
- 11.5 If the Plan is suspended, an election as to participation in the Plan will also be suspended and all Shares are deemed to be non-participating Shares for the purpose of any Dividend paid while the Plan is suspended. Upon reinstatement of the Plan, all prior elections are reinstated subject to any Application validly given by the Shareholder prior to the next Record Date after the reinstatement of the Plan.
- 11.6 If the Plan is suspended, the Board may recommence it after giving such notice (if any) as the Board determines is appropriate.
- 11.7 If the Plan is suspended or terminated, the amount of any residual balance held on a Participant's behalf by the Company will become the property of the Company unless the Board determines otherwise. The Company may accumulate these residual balances until such time as it considers it appropriate to pay them to a charity chosen by the Board.

12 Administration of the Plan

- 12.1 This Plan will be administered by the Board which has the power to:
- (a) determine procedures for administration of the Plan consistent with the Rules;
 - (b) 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 the Plan, whether generally or in relation to any Participant or any Shares, and the

determination of the Board is to be conclusive and binding on all Participants and other persons to whom the determination relates; and

- (c) delegate to any one or more persons, for such period and on such conditions as it may determine, the exercise of any of their powers or discretions arising under the Plan.
- 12.2 The Plan may be partially or fully underwritten as determined by the Board from time to time in its sole discretion.
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13 ASX Listing

- 13.1 For so long as the Shares are listed on ASX, the Company will promptly make an application at or after the Allocation of newly issued Shares pursuant to the Plan for the quotation of those Shares on the ASX.
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14 Plan rules are binding on participants

- 14.1 Participants are at all times bound by the Rules of the Plan as modified from time to time.
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15 Costs to participants

- 15.1 To the extent permitted by law, the Company will pay brokerage, commission or other transaction costs in respect of Shares allotted under the Plan including any stamp or other duties payable by the Participant in respect of the Shares allocated under the Plan.
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16 Notices

- 16.1 A notice under these Rules is validly given if handed to the addressee or posted by ordinary post and addressed to the addressee at his or her last known residential or registered address, or sent by facsimile or e-mail in accordance with the Company's constitution.
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17 Governing law

- 17.1 The Plan and contracts arising under the Plan are governed by the laws of Victoria and each Participant submits to the non-exclusive jurisdiction of the Courts of Victoria.