

# ACORN CAPITAL INVESTMENT FUND LIMITED

ACN 167 595 897

## DIVIDEND REINVESTMENT PLAN

### KEY FEATURES

The Acorn Capital Investment Fund Dividend Reinvestment Plan (the **DRP**) is a convenient way for you to increase your holding of shares in Acorn Capital Investment Fund Limited (**ACIF**) by reinvesting all or part of your interim or final cash dividend entitlements in additional ordinary shares. Preference shares will not be issued under the **DRP**.

### Eligibility to participate

You are eligible to participate in the **DRP** unless legal constraints in the country in which you reside make it impractical for you to do so. If you do not reside in Australia, you should seek your own legal advice as to whether the laws of the country in which you reside will permit your participation.

The Directors have an overriding discretion to refuse to accept shares for participation in the **DRP** and to suspend or withdraw shares from participation. If an application for participation in the **DRP** is refused, **ACIF** is not required to give any reason or ground for refusal, however, **ACIF** must notify the applicant of the refusal to accept the Notice of Election as soon as practical after that.

### Participation

Participation is optional and is initiated by the completion and return to **ACIF** of the Application Form. If you sell your shares then your right to participate cannot be transferred on sale.

If you decide to participate, you have the choice of:

- Full participation:  
Additional ordinary Shares will be issued instead of the cash dividend otherwise payable on all the shares you hold; or
- Partial participation:  
Additional Shares will be issued instead of the cash dividend otherwise payable on the number of the shares held by you that you nominate to participate in the **DRP**. The dividend on the remaining (non-participating) shares will be paid to you by cheque or electronic transfer.

If an Application Form does not specify the number of fully paid ordinary shares that are to be Participating Shares in the **DRP**, you will be deemed to have applied to become a Full Participant in the **DRP**.

In each instance, full and partial participation, additional Shares issued to you under the **DRP** will be added to the shares you hold which already participate in the **DRP**.

The Directors may from time to time set an aggregate limit on the amount of the dividend instead of which additional Shares may be issued or a minimum and/or maximum number of shares that may participate.

You will be bound by the terms and conditions of the DRP as they exist from time to time.

### **Share issues**

Each date on which ACIF pays a dividend, additional ordinary Shares will be issued in lieu of the cash dividend otherwise payable on Participating Shares, with each participating Shareholder's entitlement, the additional Shares being rounded down to the next whole ordinary share.

### **Overseas residents**

If you are an eligible overseas resident and decide to participate, Australian withholding tax will be deducted (where applicable) from the dividend applied under the DRP and additional Shares will only be issued in respect of the net amount.

### **Issue price of DRP Shares**

Additional Shares will be issued to you at the market value of each share as determined by the Board less, if the Board determines, a discount of up to 5% as determined by the Board. The price per share will be notified to Shareholders not less than 14 days prior to the closing date for participation in the DRP for the applicable dividend.

Additional Shares will be issued free of brokerage, commission, stamp duty costs (provided the existing legislation remains applicable) and any other costs.

### **Ranking of DRP Shares**

All Shares issued to you under the DRP will rank equally in every respect with the existing issued fully paid ordinary shares of ACIF and will participate in all dividends subsequently declared.

### **Sale of shares**

You may sell your shares participating in the DRP or acquired under the DRP at any time but when the shares are sold they will be automatically withdrawn from the DRP on registration of the transfer.

### **Sale of shares by Limited Participants**

If you only partially participate in the DRP, and you sell some or all of your shares, then unless you have varied your participation in the DRP by notice to ACIF, the shares you sell will reduce, first, the number of your non-participating shares and, secondly, the number of your participating shares.

### **Acquisitions of further shares**

If you are a Full Participant in the DRP and subsequently acquire further ordinary shares, those further shares will on registration automatically become participating shares in the DRP. If you are a Limited Participant only, further shares acquired outside of the DRP will not become Participating Shares in the DRP unless the appropriate Application Form is received by ACIF. Further Shares issued to Limited Participants under the DRP will, as indicated above, be deemed to be Participating Shares.

### **Notification**

Notification of the allotment of the additional Shares will be forwarded to the Participant.

## **Taxation**

If you are an Australian resident, then dividends reinvested under the DRP will, under current Australian income tax laws, continue to be assessable for income tax in the same manner as if you had received those dividends in cash. The DRP Statement issued to you following the payment of each dividend will show the amount of the dividend and should be kept by you with your records.

ACIF strongly recommends that you seek professional advice with respect to your taxation position. If you are an overseas resident, you should seek independent professional advice if you are in any doubt about the effect of taxation legislation in your country of residence on your participation in the DRP.

## **How you can participate in the DRP**

If you wish to join the DRP, please complete the Application Form and send it to ACIF. You must specify whether you wish to fully participate or only partially participate in the DRP. If you only want to partially participate, then you must state the number of your shares that are to participate in the DRP. Failure to do so will result in you being deemed to be a Full Participant in the DRP.

Applications must be received by ACIF by the relevant Closing Date to be effective for that and future dividends.

## **How to vary your participation in the DRP**

If you wish to change the level of your participation in the DRP, or to withdraw from the DRP, you must complete the variation or withdrawal sections (as the case may be) of the Application Form and send it to ACIF's share registry. The form advising of the variation or withdrawal must be received by ACIF at that address before 5.00 pm on the Closing Date if a change in your level of participation is to be recorded for that dividend and subsequent dividends.

## **Cost of the DRP**

ACIF will pay all administration costs of the DRP.

## **Modification of the DRP**

The Directors of ACIF may, at their discretion at any time, resolve to:

- (a) vary the DRP and any agreement concerning the DRP;
- (b) suspend the operation of the DRP; or
- (c) terminate the DRP.

The Directors will give written notice to you if the DRP is at any time varied, suspended or terminated. Additionally, if the Directors decide to terminate the DRP, termination will not be effective until one month after notice of that decision is forwarded to you.

## **Administration**

In administering the DRP, the Directors have absolute discretion to adopt any administrative procedures deemed appropriate in relation to the DRP. In addition, the decision of the Directors concerning any dispute regarding the DRP's implementation and operation is final and binding on all parties to that dispute.

**DRP Statement**

If you participate in the DRP, ACIF will send to you after each dividend payment date a statement detailing all relevant information concerning your involvement in the DRP.

**Enquiries**

Enquiries from Shareholders concerning the DRP should be directed to ACIF at the following address:

The Company Secretary  
Acorn Capital Investment Fund Limited  
C/- Acorn Capital Limited  
Level 12, 90 Collins Street  
Melbourne Vic 3000  
AUSTRALIA

## TERMS AND CONDITIONS OF THE DRP

### 1. DEFINITIONS

- 1.1 In this DRP, the following words and expressions have the meanings indicated unless the contrary intention appears.

**ACIF** means Acorn Capital Investment Fund Limited ACN 167 595 897.

**Application Form** means a form (as approved by the Directors) by which:

- (a) a Shareholder may apply to join the DRP; or
- (b) a Participant may apply to vary the level of, or withdraw from, participation in the DRP

**Business Day** a day that is not a Saturday, Sunday, public holiday or bank holiday in Victoria, Australia.

**Cash Dividend** means a Dividend payable to a Participant in respect of Participating Shares wholly in cash and, in the case of a Dividend payable only partly in cash, that part of the Dividend which is payable in cash.

**Closing Date** means, in relation to a Dividend, the day that is determined by the Directors to be the final date on which Application Forms must be received for that Dividend.

**Directors** means the directors for the time being and from time to time of ACIF.

**Dividend** means a dividend or interim dividend of ACIF declared or authorised for payment by the Directors.

**Dividend Payment Date** means the date on which a Dividend is paid by ACIF.

**DRP** means the ACIF Dividend Reinvestment Plan, as amended, modified or substituted from time to time.

**DRP Statement** means the statement referred to in clause 8.

**Full Participant** means a Participant who, for the time being, participates in the DRP in respect of all the Shares of which the Participant is registered as the holder.

**Limited Participant** means a Participant who, for the time being, participates in the DRP in respect of some, but not all, of the Shares of which the Participant is registered as the holder.

**Non-Participating Shares** means any Shares of which a Participant is registered as the holder which are not subject to the DRP.

**Participant** means a Shareholder who is accepted as a participant in the DRP.

**Participating Dividend** means in respect of a Participant the total Cash Dividend payable to that Participant reduced by any amount, including withholding tax, where appropriate, which ACIF is required to or may deduct for any reason from the Cash Dividend payable to that Participant.

**Participating Shares** means Shares of which a Participant is registered as the holder that are subject to the DRP.

**Record Date** means, in relation to a Dividend, the time and date specified by ACIF for the determination of entitlements to that Dividend.

**Share** means a fully paid ordinary share in the capital of ACIF issued under the DRP.

**Shareholder** means a person registered as the holder of one or more Shares.

**Terms and Conditions** means the terms and conditions of the DRP, as amended, modified or substituted from time to time.

- 1.2 Words importing gender include the masculine, feminine and neuter genders and the singular includes the plural and vice versa.
- 1.3 Headings are included for convenience only and will not affect the construction or interpretation of the DRP.

## **2. THE DRP**

- 2.1 The DRP is a method by which Shareholders may elect to receive additional Shares in substitution for Cash Dividends declared or authorised for payment by the Directors in respect of all or part of the Shares of which the Shareholders are registered.
- 2.2 Participation by Shareholders in the DRP is optional and is not transferable.

## **3. ELIGIBILITY**

- 3.1 Subject to clauses 3.2 and 3.3 all Shareholders are eligible to participate in the DRP.
- 3.2 A Shareholder will not be eligible to participate in the DRP until receipt by ACIF from the Shareholder of an Application Form.
- 3.3 The Directors may in their absolute discretion accept or refuse to accept in whole or in part any Application Form. Without limiting the generality of the above, the Directors may from time to time determine that the right to participate in the DRP is not available to Shareholders:
  - (a) who have registered addresses in a country or place where participation in the DRP would or may be unlawful or if any other formality under the laws of that country or place cannot reasonably or practicably be complied with by ACIF at a cost that is acceptable to ACIF; or
  - (b) whose participation in the DRP might lead to foreign persons or associates of foreign persons acquiring a substantial or an aggregate substantial in ACIF in breach of the *Foreign Acquisitions and Takeovers Act 1975 (Cth)*.
- 3.4 If the Directors refuse an Application Form, ACIF must notify the relevant Shareholder of the refusal as soon as practicable afterwards. ACIF will not be obliged to state reasons for the refusal of an Application Form.
- 3.5 A Shareholder is solely responsible for obtaining any government or regulatory approvals and consents necessary for that Shareholder to participate legally in the DRP.

## **4. LEVELS OF PARTICIPATION**

- 4.1 Shareholders may, in their Application Form, nominate one of the following levels of participation:

**(a) Full participation**

A Shareholder may nominate all Shares registered in the name of that Shareholder as at the Record Date (other than shares in respect of which a full dividend is not then payable) to participate in the DRP. If a Shareholder's Application Form is accepted, that Shareholder will be admitted as a Full Participant.

**(b) Limited participation**

A Shareholder may nominate a specific number of Shares registered in the name of that Shareholder as at the Record Date (other than Shares in respect of which a full dividend is not then payable) to participate in the DRP. If a Shareholder's Application Form is accepted, that Shareholder will be admitted as a Limited Participant in respect of the nominated number of Shares only.

- 4.2 Shareholders will on acceptance of their Application Form by the Directors participate in the DRP only to the extent they have elected to participate under clause 4.1.
- 4.3 If the Company receives an Application Form that is signed by a Shareholder but does not specify the level of participation desired, the Application Form will be deemed to be a request that all Shares held by the Shareholder participate in the DRP.
- 4.4 A Participant may at any time vary the level of participation (but not the Terms and Conditions of the participation) in the DRP by completing and returning to the Company a further Application Form specifying the variation to be made in the level of participation. The variation in the level of participation will take effect from the date of receipt of that further Application Form.

**5. APPLICATION FORM**

- 5.1 An Application Form must be in a form similar to the form supplied with this booklet or in a form otherwise acceptable to ACIF. It must be signed by the Shareholder (or Participant, as the case may be) or, if two or more persons hold Shares jointly, by each joint holder of the Shares.
- 5.2 If a Shareholder or Participant is a body corporate, the Application Form (and all other notices or documents under these Terms and Conditions) must be executed in accordance with its constitution or under a power of attorney.
- 5.3 If an Application Form is completed by an individual or a body corporate under a power of attorney, the power of attorney under which it is signed or a certified copy of that power must accompany the Application Form unless the power of attorney has previously been noted by ACIF.
- 5.4 An Application Form received by ACIF to participate in the DRP or to vary the level of participation or to terminate participation in the DRP is not effective in respect of a Dividend unless it is received prior to the Closing Date for that Dividend.
- 5.5 Formal notice by way of an Application Form remains in force until:
- (a) the Participant formally varies or terminates the Participant's participation in the DRP in accordance with these Terms and Conditions; or
  - (b) ACIF terminates the DRP, whichever occurs earlier.

## **6. OPERATION OF THE DRP**

- 6.1 The Participating Dividend must be applied by ACIF on the Participant's behalf in subscribing for additional Shares in accordance with clause 6.5.
- 6.2 The price at which each Share is issued under the DRP in respect of a Participating Dividend is the market value of a Share as determined by the Directors less, if the Directors so determine, a discount of up to 5% as determined by the Directors.
- 6.3 The price per Share in respect of the Participating Dividend will be notified to Shareholders not less than 14 days prior to the Closing Date.
- 6.4 The Directors will establish and maintain a DRP account for each Shareholding account of each Participant. At the time of each Dividend payment, the Directors will:
- (a) determine the Participating Dividend payable in respect of the DRP Shares which may be reinvested under the DRP;
  - (b) credit the amount in paragraph 6.4(a) above to the Participant's DRP account;
  - (c) determine the maximum whole number of Shares which can be acquired under this DRP by using the amount in the Participant's DRP account;
  - (d) on behalf of and in the name of the Participant, subscribe for or cause the transfer of the number of Shares determined under paragraph 6.4(c) above and debit the aggregate offer price of those Shares against the balance in the Participant's DRP account; and
  - (e) carry forward any residual positive balance to the next Dividend.
- 6.5 In respect of a Participating Dividend payable to a Participant, ACIF will:
- (a) determine the maximum number of Shares, priced in accordance with clauses 6.2 and 6.3, which may be acquired using the Participating Dividend payable to the Participant, plus the residual positive balance carried forward in the Participant's DRP account rounded down to the last whole Share;
  - (b) on behalf of and in the name of the Participant, apply the total Participating Dividend payable to that Participant to acquire that number of additional Shares calculated in accordance with paragraph 6.5(a) unless that number is less than 10 Shares, in which case the Participating Dividend will be paid in cash; and
  - (c) allot and issue that number of additional Shares to the Participant.
- 6.6 If a Participant terminates their participation in the DRP or the DRP is suspended or terminated by ACIF, then ACIF will pay the positive residual balance in the Participant's DRP account to the Participant with the next Dividend.

## **7. SHARES ISSUED UNDER THE DRP**

- 7.1 Subject to the Constitution of ACIF, all Shares issued under the DRP rank equally in every respect with the existing issued shares and participate in all Dividends subsequently declared.



- 7.2 ACIF will issue a notice to each Participant advising the number of Shares allotted to that Participant under paragraph 6.4(c). The notice will be forwarded as soon as practical after the relevant Dividend Payment Date.

## **8. DRP STATEMENTS**

- 8.1 ACIF will send to each Participant following each Dividend Payment Date a DRP Statement detailing the following information:
- (a) the number of shares of the Participant in the DRP as at the relevant Closing Date;
  - (b) the amount of the Dividend and Cash Dividend payable on each Participating Share;
  - (c) if applicable, the amount of withholding tax and any other amount which has been deducted from the Cash Dividend payable on the Participating Shares;
  - (d) the total available Participating Dividend payable on the Participating Shares;
  - (e) the number of Shares to be allotted to the Participant under the DRP and the date of issue of those Shares;
  - (f) the allotment price of each Share to be allotted to the Participant under the DRP;
  - (g) the franked amount (if any) of the Dividend and the imputation tax credit (if any) attaching to the Dividend;
  - (h) subject to any share transactions in the intervening period, the total number of Shares of the Participant participating in the DRP after the Dividend; and
  - (i) such other information as the Directors may at any time and from time to time determine.

## **9. COSTS TO PARTICIPATING SHAREHOLDERS**

No brokerage, commission or other transaction costs and no stamp or other duties will be payable by Participants on Shares allotted under the DRP.

## **10. VARIATION TO PARTICIPATION IN THE DRP**

Subject to clause 5.4, a Participant may at any time vary participation (but not the terms and conditions of the participation) in the DRP by completing and returning to ACIF a further Application Form specifying the variation the Participant wishes to make.

## **11. TERMINATION OF PARTICIPATION**

- 11.1 Subject to clause 5.4, a Participant may at any time terminate participation in the DRP by completing and returning to ACIF a further Application Form indicating the Participant's wish to terminate participation in the DRP.
- 11.2 Subject to clause 5.4, a Participant will be deemed to have terminated his participation in the DRP:
- (a) on receipt by ACIF of an Application Form in accordance with clause 11.1;
  - (b) on registration of a transfer of all of THEIR Participating Shares;

- (c) on termination of the DRP by the Directors in accordance with clause 13;
- (d) on receipt by ACIF of the notice of death, bankruptcy or liquidation of the Participant; or
- (e) on the Participant ceasing to be eligible for participation in the DRP.

11.3 For the purposes of clause 11.2, the death of anyone of two or more joint Shareholders will automatically terminate the participation of the remaining Shareholder or joint Shareholders. The remaining Shareholder or Shareholders may recommence their participation in the DRP by forwarding a completed Application Form.

11.4 A Share which has ceased to be a Participating Share is not prohibited from subsequently becoming again subject to the DRP.

## **12. ACQUISITION AND SALE OF SHARES BY PARTICIPANTS**

12.1 All Shares allotted or transferred to a Participant under the DRP will be added to the number of Participating Shares unless a further Application Form advising ACIF to the contrary has been delivered to ACIF.

12.2 Unless advised by the Limited Participant to the contrary, if a Limited Participant sells or transfers shares, the shares sold or transferred will, first, reduce the number of Non-Participating Shares and, secondly, the number of Participating Shares.

12.3 If by the allotment, purchase or transfer of Shares otherwise than under the DRP, the number of Shares held by a Limited Participant increases to a number greater than the original nominated number of Participating Shares held, the excess of Shares over the number of Participating Shares are taken to be Non-Participating Shares unless otherwise notified by a further Application Form delivered to ACIF by the Limited Participant.

12.4 Any further shares acquired (by whatever means) by a Full Participant automatically become Participating Shares on being registered in the Full Participant's name.

## **13. MODIFICATION AND TERMINATION OF THE DRP**

13.1 The Directors may at their discretion at any time resolve to:

- (a) vary the DRP and any agreement relating to the DRP;
- (b) suspend the operation of the DRP; or
- (c) terminate the DRP.

13.2 Any variation, suspension or termination made in accordance with clause 13.1:

- (a) subject only to clause 13.4, is effective from the date of resolution or otherwise from the date determined by the Directors; and
- (b) does not give rise to any liability on the part of or right of action against ACIF.

13.3 ACIF must give written notification to the Participants of any variation, termination or suspension of the DRP.

13.4 Termination of the DRP is not effective prior to a date at least one month after the date on which notice is given by the Directors to the Participants of their intention to terminate the DRP.

- 13.5 If the Directors vary these Terms and Conditions, the Participants continue to participate under the modified DRP unless ACIF is notified by a Participant to the contrary by a further Application Form.
- 13.6 The accidental omission to give notice of any variation, suspension or termination of the DRP to any Participant or the non receipt of any notice by any Participant does not invalidate the variation, suspension or termination of the DRP.

#### **14. DISPUTES**

The Directors have absolute discretion to resolve any dispute concerning the DRP in the manner as they see fit or to adopt any administrative procedures as they deem appropriate. The decision of the Directors will be final and binding on the Participants.

#### **15. TAXATION**

Neither ACIF nor its Directors, officers, employees, representatives or agents take any responsibility or assume any liability for the taxation liabilities of Participants. Specific taxation advice from professional advisers should be obtained by the Participants.

#### **16. NOTICES**

- 16.1 Notices to ACIF are only effective if in writing and in such form as ACIF directs or accepts from time to time and sent to ACIF at or to its share registry:

The Company Secretary  
Acorn Capital Investment Fund Limited  
C/- Acorn Capital Limited  
Level 12  
90 Collins Street  
Melbourne Vic 3000  
AUSTRALIA

or such other address as is notified by ACIF from time to time.

- 16.2 Notices must be received by ACIF by the relevant Closing Date to be effective for that Dividend. Notices received after a Closing Date will not be effective until the following Dividend.

#### **17. GENERAL**

- 17.1 The DRP will not apply in any case where, in accordance with the constitution of ACIF or otherwise by law, the Directors are entitled by law to retain all or part of a Dividend payable in respect of shares which a Participant has nominated as participating in the DRP or where ACIF is entitled to a charge over those shares or over any relevant Dividend payable.

#### **18. GOVERNING LAW**

The DRP, the Terms and Conditions and the operation of the DRP are governed by the laws of Victoria, Australia.

Please complete the Application Form if you wish to participate in the DRP and send it to:

The Company Secretary  
Acorn Capital Investment Fund Limited  
C/- Acorn Capital Limited

Level 12  
90 Collins Street  
Melbourne Vic 3000  
AUSTRALIA

You must specify whether you wish to fully participate or only partially participate in the DRP. If you only want to partially participate, then you must state the number of your shares that are to participate in the DRP. Failure to do so will result in you being deemed to be a full participant in the DRP.

Applications must be received by ACIF by the relevant Closing Date to be effective for that and future dividends.