

# *Australia & International Holdings Limited*

A.C.N. 009 706 414

## **Shareholders Dividend Reinvestment Plan**

(AID Dividend Reinvestment Plan or Plans)

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# **Explanatory Notes**

## ***Summary of the Plan***

### **What is the Plan?**

The Plan enables you, as a Shareholder in Australia and International Holdings Ltd (" AID ") to reinvest dividends paid on your shares in additional AID shares instead of receiving those dividends in cash.

Your participation in the Plan is entirely optional.

If you elect to reinvest your dividends, additional shares will be allocated to you immediately following the date for payment of that dividend. You will receive a dividend notice setting out the number of shares allocated to you, the price per share and other information relevant to the dividend.

### **Am I eligible to participate?**

All holders of fully paid shares in AID may participate in the Plan.

### **How do I join the Plan?**

If you wish to participate in the Plan, you must complete the Election Form and return it to:

Australia & International Holdings Ltd  
NewCastle Capital Markets Registries Pty Limited  
PO Box 413  
Hamilton NSW 2303  
Telephone 61 2 4920 2877  
Facsimile 61 2 4920 2878

Your participation in the Plan will, in general, commence with the first dividend payment after receipt of your completed Election Form. If your form is received after the record date for a dividend, it will not be effective until the Company's next dividend.

### **What type of shares will I get under the Plan?**

You will be allocated with fully paid ordinary shares in AID under the Plan. These additional shares may be purchased over-the-counter or newly issued by the company.

If new shares are allocated to you, they will rank equally to the Company's existing shares.

### **What is the Allocation Price of shares under the Plan?**

Shares will be allocated to you at the NTA per share for the previous quarter.

The Directors may determine in relation to all or any dividends paid, that shares will be allocated under the Plan subject to a discount below the NTA per share price. At this time, the Board has determined that no discount will apply.

### **How is my entitlement calculated and how are shares allocated?**

The company will determine the maximum whole number of shares that will be allocated to you under the Plan, by dividing the amount of your dividend by the Allocation Price (determined as set out above).

In the case of fractional entitlements, the number of shares that you will be entitled to under the Plan will be rounded to the nearest whole number, but there shall be no dividend distribution or refund of application moneys to the extent of any balance which may otherwise be regarded as in excess of the consideration required.

### **What record do I have of my participation in the Plan?**

After each dividend payment, you will receive a statement that details the amount and date of the dividend paid, the number of shares allocated to you under the Plan and the Allocation Price of those shares under the Plan.

### **Can I sell shares that participate in the Plan or that are allocated to me under the Plan?**

You may sell any of your shares, at any time. This includes your original participating shares in the Plan and the shares that you are allocated when your dividends are reinvested.

If you elect to participate in the Plan and then sell some of your shares, the dividends on your remaining shares will continue to be reinvested under the Plan.

### **What are the taxation implications of participating?**

Dividends that are reinvested under the Plan will generally be assessable for income-tax and will carry franking credits to the same extent as any cash dividend. Shares allocated under the Plan may be subject to either income-tax or capital gains tax when you sell them.

However, the taxation treatment of shares and dividends under Australian law can be quite complex and the comments made above are general in nature only. Accordingly, you should seek professional taxation advice in relation to your individual circumstances.

### **How do I change my participation or withdrawal from Plan?**

You may withdraw from the Plan at any time by giving written notice to the company's share registry.

The termination notice will be effective in relation to the dividend with a record date next occurring after your notice is received.

### **Termination of the Plan by the Directors**

The Rules of the Plan may be varied by the Directors at any time by notice to you.

The Directors may also suspend or terminate or reinstate the operation of the Plan at any time by notice to you.

### **Enquiries**

A copy of the Plan Rules is attached to this booklet. If you wish to enquire further about the Plan, please contact the Company's Share Registry:

Australia & International Holdings Ltd  
NewCastle Capital Markets Registries Pty Limited  
PO Box 413  
Hamilton NSW 2303  
Telephone 61 2 4920 2877  
Facsimile 61 2 4920 2878

A copy of the most recent annual report and financial statements complying with the Corporations Act of AID is available from AID on request and free of charge.

Under section 708(13)(a) of the Corporations Act, a prospectus is not required to be lodged or registered in relation to shares to be issued under the Plan described in this booklet. If you are in any doubt as to whether to participate in the Plan, you should consult your financial adviser.

# **Rules**

## **1. Definitions and interpretation**

1.1. In these Rules, unless the context otherwise requires:

**AID** means Australia & International Holdings Ltd (A.C.N. 009 706 414).

**Allocation** means:

- a) The issue of new shares to participants under the DRP; or
- b) The transfer of shares acquired over-the-counter for the purposes of the DRP to participants under the DRP, as the case may be.

**Allocation Price** means the price at which Shares will be Allocated under the DRP calculated in accordance with rule 7.2, as adjusted by the Board in its absolute discretion.

**Board** means the Board of Directors of AID.

**Discount** means the percentage discount (if any) determined by the Board from time to time to be applied in calculating the Allocation Price per Share under rule 7.2.

**Dividend** means any dividend announced and payable by AID.

**Dividend Payment** for a Shareholder means the Dividend multiplied by the number of Shares held by that Shareholder as at the relevant Dividend Record Date, less any withholding tax or any other amounts AID is entitled or required to deduct from the payment.

**Dividend Payment Date** means the date on which the Dividend is payable, as announced by AID.

**Dividend Record Date** means the date and time, as determined by the Board, at which a person holds or is taken to hold Shares for the purpose of determining the entitlement of Shareholders to Dividends

**DRP** means the AID dividend reinvestment plan constituted under these Rules, as varied from time to time.

**Eligible Shareholder** has the meaning given in rule 2.

**Notice of Election** means the form relating to the DRP used to apply for participation in the DRP, approved by the Board from time to time.

**NTA per share** means the Net Tangible Assets per share as at the end of the previous Quarter.

**Participating Shares** means all of the Shares of the Participant, or the Shares otherwise taken under these Rules to participate in the DRP.

**Participant** means a Shareholder all of whose shares are Participating Shares.

**Price** means the NTA per Share as at the end of the previous Quarter.

**Quarter** means the three month periods ending 30 September, 31 December, 31 March and 30 June.

**Related Body Corporate** has the same meaning as in section 50 of the Corporations Act 2001.

**Rules** means these Rules of the DRP as varied from time to time.

**Shares** means fully paid ordinary shares in the capital of AID.

**Shareholder** means a registered holder of shares in AID.

**Termination Notice** means the form relating to the DRP used to terminate a Shareholder's participation in the DRP, approved by the Board from time to time.

1.2. In these Rules, headings are for convenience only and do not affect interpretation and:

- a) words importing the singular include the plural and vice versa;
- b) words importing a gender include any gender;
- c) other parts of speech and grammatical forms of a word or phrase defined have a corresponding meaning; and
- d) any reference in these Rules to any enactment or part of an enactment includes a reference to that enactment, as from time to time amended, consolidated, re-enacted or replaced and all regulations and statutory instruments issued under it.

1.3. The Board may from time to time determine that:

- a) for the purpose of determining who may participate in the DRP, "Share", in addition to its meaning under clause 1.1, includes any other security, including convertible securities and debt instruments, issued by AID or a Related Body Corporate of AID; and
- b) for the purpose of determining what may be reinvested under the DRP, "Dividend", in addition to its meaning in clause 1.1, includes any interest or other distribution in relation to any security that the Board determines may participate in the DRP in accordance with clause 1.3 (a).

## 2. Eligibility to participate

2.1. Participation in the DRP by Eligible Shareholders:

- a) is optional and voluntary;
- b) is not transferable; and
- c) may be terminated at any time in accordance with rule 10.

2.2. Subject to Rules 2.3 and 2.4, an Eligible Shareholder is, in respect of a particular Dividend Record Date, a Shareholder who, at that Dividend Record Date, was recorded as a registered holder, and whose address in the AID share register:

- a) is in Australia, or
- b) is in a jurisdiction in which the Board is satisfied that the offer and issue or transfer of shares under the DRP is lawful and practicable,

provided that the Board may determine that a Shareholder, or a class of Shareholders, are not Eligible Shareholders if they are, or hold Shares on behalf of other persons who are, resident outside the jurisdiction mentioned in paragraph a).

2.3. The Board has the discretion to refuse to accept any person's Shares for participation in the DRP 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 AID in breach of the Foreign Acquisitions and Takeovers Act 1975 (Cth); or

- b) a person acquiring a relevant interest in issued voting shares of AID that would result in that person's or someone else's voting power contravening Chapter 6 of the Corporations Act.
  - c) whose level of participation is less than a certain level (if any) which the Directors may from time to time determine and notify to Shareholders.
- 2.4. The Board is entitled to make a final determination as to whether any particular Shareholder 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 in investigating the possibility of allowing, such participation.
- 2.5. If an Eligible Shareholder has more than one holding of Shares and wishes to participate in the DRP with respect to one or more such holdings, a Notice of Election must be lodged with respect to each separate shareholding that is to participate.
- 2.6. If Shares are jointly held by two or more Eligible Shareholders, all joint holders of such Shares must sign a single Notice of Election 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 DRP with respect to the Shares jointly held.

### **3. Application to participate and extent of participation**

- 3.1. Application to participate in the DRP must be made on a Notice of Election. Upon receipt by the share registry of a duly completed and executed Notice of Election from an Eligible Shareholder, that Shareholder's participation commences from the next Dividend Record Date.
- 3.2. A Notice of Election must clearly indicate that the Shareholder has elected for participation.
- 3.3. AID must notify a Shareholder of the rejection of any application to participate in the DRP as soon as practicable after the Notice of Election is made.

### **4. Acceptance and effectiveness of applications**

- 4.1. Subject to Rules 2.2 and 4.2, a Notice of Election validly submitted or otherwise accepted by the Board is effective:
- a) from the date the Notice of Election is received by the share registry;
  - b) in respect of a Dividend, only if it is received on or prior to the relevant Dividend Record Date unless a later date is agreed to from time to time by the Directors in respect of a particular Shareholder or Shareholders;
  - c) until:
    - 1) that Participant terminates participation in the DRP pursuant to these Rules; or
    - 2) termination of the DRP; and
  - d) until the Participant ceases to be an Eligible Shareholder. The form will become effective again if and at such time as the Shareholder recommences to be an Eligible Shareholder.
- 4.2. The Board may:
- a) accept or reject a Notice of Election which is not properly completed or signed; and
  - b) correct any error in, or omission from, a Notice of Election, prior to acceptance under rule 4.2 (a).

### **5. The effect of applying for participation**

- 5.1. By applying to participate in the DRP, the Shareholder:
- a) warrants to AID that it is an Eligible Shareholder;

- b) authorises AID (and its officers or agents) to correct any error in, or omission from, its Notice of Election or any later Termination notice;
- c) acknowledges that AID may at any time determine that the applicant's Notice of Election is valid, in accordance with these Rules.
- d) acknowledges that AID may reject any Notice of Election;
- e) agrees to the appointment of Burrell Stockbroking Pty Ltd or its nominee as the Participant's agent to acquire shares, where AID decides to acquire existing shares in accordance with these Rules.
- f) acknowledges that neither AID nor the share registry has provided the applicant with investment advice or financial product advice concerning its decision to apply to participate in the DRP and that neither has any obligation to provide this advice; and
- g) unconditionally agrees to be bound by these Rules,

## **6. Reinvestment of dividends**

- 6.1. AID will in respect of each dividend payable to a participant:
  - a) determine the dividend payment in respect of that participant's participating shares;
  - b) determine the whole number of additional shares which will be acquired under the DRP at the Allocation Price by dividing the Dividend Payment by the Allocation Price and rounding that number up or down to the nearest whole number.
- 6.2. Shares are allocated under the DRP at the Allocation Price which is the NTA at the end of the relevant Quarter, less the discount (if any) determined by the Board. The determination by the Board of the Allocation Price is binding on all Participants.

## **7. Allocation of shares**

- 7.1. All shares newly issued under the DRP will, from the date of allocation, rank equally in all respects with existing Shares, and participate in all Dividends subsequently declared or authorised unless the Board determines that they are not to participate in any offer of Shares open when the Shares are issued under the DRP.
- 7.2. The Board in its absolute discretion will determine with respect to the operation of the DRP for any dividend or part thereof whether to issue new shares or to cause Burrell Stockbroking Pty Ltd (or another broker selected by the Board) to arrange the purchase and transfer of existing shares to an Eligible Participant or to apply a combination of both options, to satisfy the obligations of AID under these Rules.
- 7.3. Shares allocated pursuant to the DRP will be registered on the share register on which the Participant already holds shares.

## **8. DRP statements**

On, or as soon as practicable after, each Dividend Payment Date, AID must forward to each Participant a statement in a form determined by the Board that may include, for example:

- a) the number of the Participants Participating Shares as at the relevant Dividend Record Date;
- b) the amount of the relevant Dividend Payment in respect of the Participants Participating Shares (including any amounts deducted from the dividend payable);
- c) the number of Shares Allocated to the Participant under these Rules and the date of Allocation of those Shares;
- d) the Participant's total holding of Shares after Allocation;
- e) the Allocation Price of each Share Allocated to the Participant;
- f) the franked amount (if any) of the Dividend Payment and the franking credit (if any) attached to the Dividend;

- g) the imputation credits (if any) attached to the Dividend; and
- h) any other matters required by law to be included.

## **9. Termination of participation**

- 9.1. A participant may at any time give a Termination Notice terminating participation in the DRP.

The termination takes effect in accordance with rule 12.2.

- 9.2. If a Participant dies, participation in the DRP terminates upon receipt by AID of written notice of the death. If a Participant is declared bankrupt or is wound-up, participation in the DRP terminates upon receipt by AID of a notification of bankruptcy or winding-up from the Participant or the Participants 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.

## **10. Termination of participation where no notice is given**

- 10.1. Where the Participant disposes of some, but not all, of their shares, then subject to rule 9.1, the remaining Shares held by the Participant continue to be Participating Shares.
- 10.2. Where a Participant disposes of all its Shares, the Participant is deemed to have terminated participation in the DRP with respect to the shareholding on the date AID registered the transfer or instrument of disposal of the Participants holding.

## **11. Variation, suspension and termination of the DRP or these Rules**

- 11.1. The DRP or these Rules may be varied, suspended or terminated by the Board at any time by notification to Shareholders in writing.
- 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 or action against, the Board or AID or its officers, employees or agents.
- 11.3. If the DRP or these Rules are varied, a Participant continues to participate under the DRP and these Rules in their varied form unless the Participant terminates its participation in the DRP by submitting a termination notice in accordance with these Rules.
- 11.4. If the DRP is suspended, an election as to participation in the DRP will also be suspended and all shares are deemed to be non-participating Shares for the purpose of any Dividend paid while the DRP is suspended. Upon reinstatement of the DRP, all prior elections are reinstated subject to any Termination Notice validly given by the Shareholder prior to the next Dividend Record Date after the reinstatement of the DRP.

## **12. Applications and other notices**

- 12.1. Applications and notices to AID must be in writing or otherwise in accordance with the notices set out in these Rules or prescribed by the Board from time to time.
- 12.2. Applications and notices are effective upon receipt by AID via the share registry subject to:
  - a) these Rules;
  - b) notwithstanding anything else in these Rules, acceptance by the Board or in accordance with policy set by the Board from time to time; and



- c) receipt occurring before the relevant Dividend Record Date or such later date as is agreed from time to time by the Directors in respect of a particular Shareholder or Shareholders.
- d) application and notices signed by the Shareholder (or the Eligible Participant) as the case may be or, if two or more persons hold Shares jointly, by each joint holder of the Shares.
- e) if a Shareholder or Eligible Participant is a body corporate, execution in accordance with sub-section 127(1) of the Corporations Act 2001 or by an authorised officer, attorney or representative.
- f) if a notice or application is signed under a power of attorney, the power of attorney under which it is signed or a certified copy of that power must accompany the notice or application.

Applications or notices received after a Dividend Record Date or such later date as is agreed to from time to time by the Directors in respect of a particular Shareholder or Shareholders are not effective in respect of that Dividend but are effective from the next relevant Dividend Record Date or such later date (if any) as may be agreed to from time to time by the Directors (as the case may be).

- 12.3. AID will announce the Pricing Period and the discount (if any) applicable to the DRP for any Dividends payable on a particular Dividend Payment Date at or around the same time as it announces the Dividend.
- 12.4. Where the Board makes a decision or determination pursuant to these Rules in relation to their application, such determination may be notified to Participants by written notice.
- 12.5. The Board may determine that Eligible Shareholders may lodge a Notice of Election electronically through an authorised third-party. Any Notice of Election lodged electronically must comply with the applicable terms and conditions of the electronic lodgement facility.
- 12.6. The accidental omission by AID or the Board to give any notice under these Rules to any Shareholder or any other person will not invalidate any act, matter or thing.

### **13. General**

- 13.1. AID will record, with respect to each Participant:
  - a) the name and address of the Participant (being the name and address in AID's register of members, from time to time); and
  - b) the number of Participating Shares held by the Participant from time to time.

AID's records are conclusive evidence of the matters recorded in them except in the case of manifest error.

- 13.2. The Board may delegate any of its powers, discretions or functions under these Rules to any person including the share registry.
- 13.3. The DRP does not apply in any case where:
  - a) in accordance with the constitution of AID or otherwise by law, the Board is entitled to retain and for as long as it takes all or part of a Dividend payable in respect of Shares which an Eligible Participant has nominated as participating in the DRP; or
  - b) where AID is entitled to a charge or other security over those Shares or over any Dividend payable in respect of those Shares and for as long as AID exercises or enforces (or attempts to exercise or enforce) such charge or security.
- 13.4. Subject to the constitution of AID, the Board may, subject to the law:
  - a) implement the DRP in the manner the Board thinks fit; and
  - b) settle any difficulty, anomaly or dispute which may arise either generally or in a particular case in connection with, or by reason of, the operation of the DRP or these Rules as the Board thinks fit, whether generally or in relation to any Shareholder or DRP account or any Shares, and the determination of the

Board is conclusive and binding on all relevant Shareholders and other persons to whom the determination relates.

- 13.5. Neither AID nor any officer, employee, agent or adviser of AID is liable or responsible to any participant for any loss or alleged loss or disadvantage suffered or incurred by a Participant as a result, directly or indirectly, of any one or more of:
  - a) the establishment or operation of the DRP;
  - b) participation in the DRP; or
  - c) any administrative or procedural advice given with respect to participation in the DRP by any person;
  - d) neither AID nor the Board, its officers, employees, representatives or agents take any responsibility or assume any liability for the taxation liabilities of Eligible Participants. Specific taxation advice from professional advisers should be obtained by Eligible Participants.
- 13.6. The Board may delegate any power or discretion conferred on it by these Rules to any person or persons.
- 13.7. The DRP, its operation and these Rules are governed by the laws of the State of Queensland and each Shareholder submits to the jurisdiction of the Courts of that State and the Courts which may hear appeals from those Courts