



# **LONDON CITY EQUITIES LIMITED**

ABN 59 003 200 664

## **DIVIDEND REINVESTMENT PLAN**

### **TERMS AND CONDITIONS**

#### **SUMMARY OF KEY FEATURES**

1. Dividend Reinvestment Plans are adopted by many ASX listed companies.
2. The Plan offers Shareholders an opportunity to increase their investment in the company by acquiring shares free of brokerage and commission and at a discount to the market price.
3. Shareholders can elect whether they wish to participate, wholly or partly.
4. Where shareholders so elect, each time a dividend is paid, the dividend on the Participating Shares is automatically re-invested in new Participating Shares.
5. Shares allotted under the Plan rank equally in all respects with existing Shares.
6. Shareholders will be notified the respective participation details after the Shares are allotted.
7. Nothing in this document or associated forms or correspondence constitutes investment, financial product or tax advice or is intended to influence a shareholder's decision whether or not to participate in the Plan. Shareholders should take their own investment, financial product and tax advice before deciding whether to participate in the Plan.

**August 2021**



## LONDON CITY EQUITIES LIMITED DIVIDEND REINVESTMENT PLAN

### TERMS AND CONDITIONS

#### 1 INTERPRETATION

1.1 Where used in these Terms, unless the context otherwise requires:

- **“ASX”** means Australian Securities Exchange Limited, ASX Limited, or the securities exchange operated by ASX Limited.
- **“Company”** means London City Equities Limited ABN 59 003 200 664.
- **“Directors”** means the Board of Directors of the Company from time to time.
- **“Non-Participating Shares”** means Shares held by a Participant which are not subject to the Plan.
- **“Notice of Election”** means a Notice of Dividend Election in the form provided by the Company or accepted by it in its absolute discretion.
- **“Participant”** means a Shareholder who elects to participate in the Plan.
- **“Participating Shares”** means Shares held by a Participant which are subject to the Plan.
- **“Plan Shares”** means Shares allotted and issued pursuant to the Plan.
- **“Plan”** means the London City Equities Limited Dividend Reinvestment Plan under these Terms.
- **“Record Date”** means the date of closing of the Share register for determination of entitlements to payment of the relevant dividend.
- **“Shareholder”** means a registered holder of Shares.
- **“Shares”** means fully paid ordinary shares in the capital of the Company.
- **“Share Register”** means the register of members of the Company.
- **“Share Registry”** means the party presently managing the Share Register, namely Registry Direct Limited (ABN 35 160 181 840).
- **“these Terms”** means the terms and conditions contained in this document as amended from time to time.

- Words denoting the singular number shall include the plural number and vice versa; words denoting a gender including all genders; words denoting an individual or person include a corporation, firm, authority, government or government authority and references to clauses are to those clauses of these terms and conditions.

1.2 Headings in these Terms are to be ignored in their interpretation.

## **2 PARTICIPATION IN THE PLAN**

2.1 Participation in the Plan is subject to these Terms.

2.2 Participation in the Plan is optional and personal to the Participant, and no benefit of or under the Plan is transferable.

2.3 Subject to clause 2.4, all Shareholders are eligible to participate in the Plan.

2.4 A Shareholder who is subject to the laws of a country or place other than Australia may not participate in the Plan unless and until the Directors are satisfied that such participation will not constitute a breach of laws of Australia or of that country or place. If participation is subject to governmental or regulatory approvals, it is the responsibility of each Shareholder to obtain such approvals. The Company is not required to send to Shareholders in that country or place an invitation to participate in the Plan.

2.5 By applying to participate in the Plan, a shareholder:

- warrants to the Company that they are eligible to participate in the Plan;
- authorises the Company to correct any error in, or omission from, its Application Form;
- acknowledges that the Company may at any time irrevocably determine that an Application Form is valid, in accordance with these Terms, even if the Application Form may be incomplete, contains errors or is otherwise defective;
- acknowledges that the Company may refuse any Application Form;
- acknowledges that neither the Company nor the Share Registry has provided the Applicant with investment, financial product, taxation or other advice, and that neither of them has any obligation to provide such advice, concerning participation in the Plan; and
- unconditionally agrees to these Terms and agrees not to do any act which would be contrary to the intention of the Plan.

## **3 NOTICE OF DIVIDEND ELECTION TO PARTICIPATE**

3.1 A Notice of Dividend Election ("**Notice of Election**") to participate in the Plan will only be effective if it:

- is given on the form supplied by the Company for that purpose;
- contains sufficient details to enable the Shareholder's account to which the Notice relates to be clearly identified; and
- is signed or executed (in the case of a corporation) by the Shareholder,

unless the Directors in their absolute discretion decide to accept and treat as valid a Notice of Dividend Election which does not satisfy these requirements.

3.2 A Notice of Election must be received by the Company for each shareholding account of a Shareholder which they wish to nominate for participation in the Plan. Each Notice of Election will need to correctly identify the shareholding account to which that Notice relates.

- 3.3 To enable Shares being the subject of a Notice of Election to participate in the Plan in respect of a dividend, the Notice must be received by the Share Registry by 5.00pm (Melbourne time) on the Record Date for that dividend.
- 3.4 A Notice of Election remains in force until the Company receives a new Notice of Election from the Shareholder terminating or varying their election. Participating Shares which are sold or transferred will cease to participate in the Plan upon the date of registration of the transfer.

#### **4. DEGREE OF PARTICIPATION**

- 4.1 Shareholders may participate in the Plan in respect of all Shares registered in a Shareholder's name ("**full participation**") or in respect of a specific number of Shares which is less than the total number of Shares so registered ("**partial participation**").
- 4.2 Eligible Shareholders who wish to participate in the Plan shall specify on a Notice of Election the degree to which they wish to participate in the Plan, by either ticking the box marked "Full Participation" (for full participation) or specifying the number of Shares which the Shareholder wishes to have participate in the Plan (for partial participation).
- 4.3 Under full participation, all Shares registered in the Participant's name from time to time, including Plan Shares issued pursuant to the Plan and Shares subsequently acquired otherwise than under the Plan, will be subject to the Plan.
- 4.4 Under partial participation, only that number of shares specified by the Participant will be subject to the Plan. However, a Participant may elect that Plan Shares issued pursuant to the Plan will be subject to the Plan by lodging an additional Notice of Election subsequent to the receipt of the Plan statement in respect of those Plan Shares.
- 4.5 Notices of Election received by the Company which do not indicate the degree of participation will be deemed to be a Notice of Election for full participation, and the Shareholder will be bound by the deemed election of full participation.
- 4.6 No responsibility will be taken by the Company for transfers that are not entered on, or removed from, the Share Register prior to the relevant Record Date.
- 4.7 A Notice of Election which indicates a number of Shares participating in excess of the number of Shares held by the Shareholder making the election, is deemed to be an election for full participation.

#### **5 OPERATION OF THE PLAN**

- 5.1 Subject to clause 5.4 each dividend which is payable to a Shareholder in respect of Participating Shares and is available for payment to the Participant will be applied by the Company on the Participant's behalf in subscribing for Shares.
- 5.2 The Company will, in respect of each dividend payable to a Participant:
- (a) determine the amount of the dividend to be payable in respect of Participating Shares, subject to any withholding tax or other sum the Company is entitled to retain in relation to the dividend;
  - (b) determine the number of Shares to be allotted in accordance with clause 5.3; and
  - (c) allot and issue that number of Shares to the Participant.
- 5.3 Subject to clause 5.4, the number of Plan Shares issued shall be the whole number next above the number calculated by the following formula:

$$\frac{(D - T)}{C}$$

Where:

**D** is the dividend or distribution payable on the Participating Shares registered in the name of the Shareholder as at the Record Date.

**T** is any withholding tax or other sum the Company is entitled to deduct or retain in relation to the dividend payable in respect of the Participating Shares.

**C** is the allotment price per Share issued, and is the percentage designated by the Directors (currently 95 per cent) of the Weighted Average Price (as defined below) for Shares traded (or mid-market quotes or values considered by the Directors appropriate if there are no trades on a day) on ASX during the five trading days including and immediately following the Record Date.

**“Weighted Average Price”** for a period means the arithmetic average of the daily volume weighted average sale price (calculated to the nearest cent) of Shares traded on ASX during the period, excluding:

- (i) special crossings, crossings prior to the commencement of the open state or normal trading, overnight crossings, crossings during overnight trade, overseas trades, trades pursuant to the exercise of options, overnight trades and any other trades that are excluded from an ASX volume weighted average price calculation; and
- (ii) any trades that the Directors exclude on the basis that the trades are not fairly reflective of natural supply and demand.

5.4 Clause 5.1 does not apply where the application of the formula in clause 5.3 would result in the issue of:

- (a) less than 50 Shares to a Participant, in which case Shares will not be issued under the Plan and the dividend will be paid in cash; and
- (b) a fraction of a Share to a Participant, in which case the number of Shares issued shall be adjusted downward to the next whole number, and no adjustment made to any cash dividend payable.

## **6 PLAN SHARES ALLOTTED UNDER THE PLAN**

6.1 Plan Shares will rank equally in all respects with all other Shares and will participate *pari passu* in all dividends subsequently declared.

6.2 Plan Shares will be registered on the Share Register in the same manner as the Participating Shareholder's then-current holding of Shares is registered at that time.

6.3 A statement of holdings will be issued for the total number of Plan Shares allotted and issued in respect of each dividend and will be forwarded to Participants as soon as practicable thereafter.

6.4 Within ten business days of each allotment and issue of Plan Shares, the Company will apply for those Shares to be quoted on ASX (provided that the Shares generally are then quoted on ASX), and to be quoted, as soon as practicable, on all other stock exchanges on which Shares at that time have official quotation.

## **7 COSTS**

Participants will not be liable for the payment of any brokerage, commission or other transaction costs in respect of any allotment and issue of Plan Shares. All administrative costs will be borne by the Company.

## **8 STATEMENT TO PARTICIPANTS**

- 8.1 Following the payment of each dividend, the Company will provide each Participant with a statement detailing:
- (a) the number of Shares nominated which are participating in the Plan;
  - (b) the dividend paid on those Shares, its status as a franked or unfranked dividend, and any imputation tax credit or withholding tax; and
  - (c) the number of new Shares issued under the Plan.

## **9 VARIATION OR TERMINATION OF PARTICIPATION WHERE NOTICE GIVEN**

- 9.1 A Participant may at any time give notice in writing to the Share Registry to:
- (a) increase or decrease the number of Participating Shares (but subject to any minimum or maximum number of Shares for participation in the Plan that the Directors may from time to time specify); or
  - (b) terminate participation in the Plan.
- 9.2 To be effective in relation to a dividend, a notice referred to in clause 9.1 must be:
- (a) given on the Notice of Election and correctly signed or executed (in the case of a corporation) by the Shareholder or by completing and forwarding to the Share Registry the online version; and
  - (b) received by 5.00pm (Melbourne time) on the Record Date for the determination of entitlements to that dividend.
- 9.3 A Notice of Election must be received by the Company for each of the shareholding accounts for which the Shareholder wishes to vary their participation in the Plan.
- 9.4 Upon the death of a Participant, participation in the Plan will be terminated upon receipt by the Company of a notice of death from the Participant's legal personal representative.

## **10 REDUCTION OR TERMINATION WHERE NO NOTICE IS GIVEN**

- 10.1 Where part of a Participant's holding of Participating Shares is disposed of, the Participant's right to participate under the Plan is not transferred, and the Shares disposed of will cease to be Participating Shares from the date of registration of the transfer.
- 10.2 Where a Participant holds Participating Shares and Non-Participating Shares and disposes of part of their holding without specifying whether the Shares disposed of are Participating Shares or Non-Participating Shares, then:
- (a) if the number of Shares disposed of is less than or equal to the number of Non-Participating Shares, then the Shares disposed of will be deemed to be Non-Participating Shares; and
  - (b) if the number of Shares disposed of is greater than the number of Non-Participating Shares, then the Shares disposed of will be deemed to be all the Non-Participating Shares and that number of Participating Shares as equals the balance of the total number of Shares disposed of.

## **11 NOTICES**

Notices of Election together with all other notices and requests to the Company shall be in writing and in the required form as directed by the Company from time to time and shall be effective upon receipt by the Share Registry:

Registry Direct Limited  
PO Box 18366

Collins Street East  
Melbourne Vic 8003

or such other address as is notified to Shareholders from time to time.

## **12 VARIATION, SUSPENSION AND TERMINATION OF THE PLAN**

### **12.1 The Directors:**

- (a) may from time to time (including in respect of a single dividend payment) and when they consider it appropriate or expedient vary, suspend or terminate the Plan or these Terms; and
- (b) will advise Shareholders of any variation, suspension or termination of the Plan or these Terms by notice to the ASX and in such other form and manner as the Directors may in their absolute discretion determine (for example, by advertisement published in a newspaper circulating generally in Australia).

12.2 A suspension of the Plan will continue until such time as the Directors resolve either to recommence or terminate the Plan. If the Plan is recommenced, elections as to participation in respect of the previously suspended Plan shall be valid and have full force and effect in accordance with these Terms for the purposes of the recommenced Plan.

12.3 The accidental omission to give notice of variation, suspension or termination to any Participant or the non-receipt of any notice by any Participant will not invalidate the variation, suspension or termination of the Plan.

## **13 NO TAXATION OR OTHER LIABILITY**

13.1 The Company takes no responsibility for the taxation or other liabilities of Shareholders or Participants. Specific taxation and other legal or investment advice, if required, should be obtained by Shareholders, at their expense, before participating in the Plan.

13.2 None of the Company, the Directors, or the Company's officers, employees, agents (including the Share registry) or advisers shall be liable or responsible to any Participant for any loss or alleged loss or disadvantage suffered or incurred by the Participant arising, directly or indirectly, from:

- (a) the establishment or operation of the Plan;
- (b) their participation in the Plan; or
- (c) any advice given with respect to participation in the Plan.

## **14 ADMINISTRATION OF THE PLAN**

14.1 The Plan will be administered by the Directors who shall have power to:

- (a) determine appropriate procedures for administration of the Plan consistent with the provision of these Terms;
- (b) resolve conclusively all questions of fact or interpretation in connection with the Plan;
- (c) waive strict compliance with any of the provisions of these Terms; and
- (d) delegate to any one or more persons for such period and upon such conditions as they may determine, the exercise of any of their powers or discretions arising under the Plan.

14.2 The Plan and the operation of the Plan shall be governed by the laws of the State of New South Wales, Australia.

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