

To: ASX

From: Brett Edwards, Company Secretary

Announcement Date: 23 August 2022

ASX Code: KME

Dividend Reinvestment Plan

Kip McGrath Education Centres Limited (ASX: KME) (**Kip McGrath**) is pleased to announce that the Board has approved a Dividend Reinvestment Plan (**DRP**) for its shareholders. The DRP will operate for eligible shareholders regarding the dividend to be paid on 22 September 2022 and any subsequent dividends

The implementation of the DRP provides shareholders with a cost-effective means of reinvesting their dividends into Kip McGrath.

Participation in the DRP is optional and is available to shareholders of fully paid ordinary shares in Kip McGrath with a registered address in Australia or New Zealand as at the relevant dividend record date.

If a shareholder elects to participate in the DRP, they will be able to reinvest either all or part of their dividend payments into additional fully paid ordinary shares in Kip McGrath. No brokerage, commission, stamp duty or other transaction costs will be payable by the shareholder on shares acquired under the DRP. The shares will rank equally with existing Kip McGrath shares on issue.

The full terms and conditions of the DRP are detailed in the DRP booklet containing the rules of the DRP, along with a set of frequently asked questions and the cover letter for eligible shareholders. The DRP booklet is attached to this announcement and is available at <https://www.kipmcgrath.com/global/shareholder-information>.

Shareholders who wish to participate must elect to do so online at www.computershare.com.au/easyupdate/kme or by returning an election form.

Shareholders are strongly encouraged to read the full terms and conditions set out in the rules of the DRP and seek financial advice before electing to participate.

For each dividend, Kip McGrath will publish information relevant to the DRP on its website, including the DRP election date and the DRP share allocation price when available.

The Board has approved this announcement.

For further information contact: Brett Edwards, Company Secretary (+61 2 4929 6711)

Dividend Reinvestment Plan Booklet

Effective 23 August 2022

Kip McGrath Education Centres Ltd
ACN 003 415 889
Level 3, 6 Newcomen Street
Newcastle, NSW 2300

23 August 2022

Dear Shareholder

Dividend Reinvestment Plan

Kip McGrath Education Centres Ltd (ASX: KME) ("**Kip McGrath**") is pleased to confirm that it has introduced a Dividend Reinvestment Plan ("**DRP**"). It is anticipated that the **DRP** will operate for eligible shareholders regarding the next dividend to be paid and, unless the Board determines otherwise, will continue for any subsequent dividends.

Participating in the **DRP** is optional. The **DRP** enables you to reinvest either all or part of your dividend payments into additional fully paid shares in Kip McGrath in an easy and cost-effective way. You will not need to pay any brokerage, commission or other transaction costs on the shares you acquire under the **DRP**.

Key features of the **DRP** include:

- **Increase your shareholding** – the **DRP** allows you to increase your holding in one simple step.
- **No additional costs** – Shares allocated under the **DRP** are free of brokerage, commission or other transaction costs.
- **Optional and flexible participation** – Each time a dividend is paid, you can choose whether or not you participate in the **DRP** for that particular dividend. Your participation may be varied or terminated at any time in accordance with the rules of the **DRP**.
- **Dividend statement** – When you participate in the **DRP**, you will be provided with a statement detailing the shares you receive under the **DRP** relevant to that particular dividend.

To be eligible for the **DRP**, you must hold fully paid ordinary shares in Kip McGrath and have a registered address in Australia or New Zealand at the relevant dividend record date. We encourage you to seek financial advice before electing to participate and to read the rules of the **DRP** and the frequently asked questions which are available at <https://www.kipmcgrath.com/global/shareholder-information>.

If you wish to participate, you must elect to do so online at www.computershare.com.au/easyupdate/kme or by returning the enclosed Election Notice.

For each dividend, Kip McGrath will publish information relevant to the **DRP** on its website, including the **DRP** election date and the **DRP** share allocation price when available.

If you have any questions, please contact Computershare Investor Services Pty Ltd.

Yours sincerely

Brett Edwards
Company Secretary
Kip McGrath Education Centres Ltd

Frequently asked questions

Shareholders should read the detailed terms of the Dividend Reinvestment Plan Rules (**Rules**) and not rely on these questions and answers. If there is any inconsistency between the Rules and these questions and answers, the Rules prevail. If in doubt, consult your financial or other professional adviser before deciding whether to participate. Capitalised terms not otherwise defined have the meaning given in the Rules.

What is the DRP?

The DRP enables Eligible Shareholders to reinvest dividends paid on their Kip McGrath shares into additional Kip McGrath shares, rather than receiving those dividends in cash.

Is participation in the DRP voluntary?

Yes. If you don't want to participate in the DRP, you don't have to do anything and you will continue to be paid your dividends in cash.

Who can participate?

To be eligible for the DRP, you must hold fully paid ordinary shares in Kip McGrath at the relevant dividend record date and have a registered address in Australia or New Zealand or in a jurisdiction in which Kip McGrath is satisfied that the offer and issue or transfer of shares under the DRP is lawful and practicable.

Kip McGrath's Board has determined that participation is currently only available to shareholders of fully paid Kip McGrath ordinary shares with a registered address in Australia or New Zealand as at the relevant dividend record date.

How to participate?

If you wish to participate in the DRP, you must elect to do so online at www.computershare.com.au/easyupdate/kme.

Alternatively, please complete and sign the Election Notice and return it to Computershare at the address below.

Computershare Investor Services Pty Ltd
GPO Box 242
Melbourne VIC 3001

You will need to specify either full or partial participation. If partial participation is elected, the number of ordinary shares to participate in the DRP must be nominated.

A Notice must be received by the Company, or online elections made, before 5.00pm Sydney time on the first business day following the Record Date for a Dividend for the Notice to take effect for that Dividend. A Notice received after that time will only be effective for subsequent Dividends.

Can I participate in the DRP in respect of some but not all of my shares?

Yes. You can nominate a specific number of your Shares to participate in the DRP. This is referred to as 'Partial Participation'. In this case, only part of your dividend will be reinvested in additional shares when the DRP applies to a Dividend. The Dividend entitlement on the balance of your shareholding that is not participating in the DRP will be paid to you in the usual way.

If your Election Notice does not clearly indicate the level of participation in the DRP, it will be deemed to be an application for full participation.

Is there a minimum or maximum participation level?

No, however Kip McGrath has the discretion under the Rules to introduce a minimum or maximum participation level.

When will my election be effective?

Once your Election Notice has been received and accepted by the Directors, your participation will commence from the first Dividend payment after receipt of your Notice, provided it is received by the Company before 5.00pm Sydney time on the first business day following the Record Date for that Dividend. A Notice received after that time will only be effective for subsequent Dividends.

Can I change my DRP election or terminate my participation in the DRP?

You may at any time vary your participation in the DRP, including to increase or decrease the number of Shares subject to the DRP, by completing and lodging a duly signed and completed Variation Notice. Similarly, you may at any time terminate your participation in the DRP by completing and lodging a duly signed and completed Termination Notice.

A Variation Notice or Termination Notice must be received by Kip McGrath before 5.00pm Sydney time on the first business day following the Record Date for a Dividend for the notice to take effect for that Dividend. A notice received after that time will only be effective for subsequent Dividends.

Will Shares allocated under the DRP rank equally with other Kip McGrath Shares?

Shares allocated under the DRP will rank equally in every respect with existing issued fully paid ordinary shares of Kip McGrath, and subject to the Rules, will participate in all future Dividends subsequently declared or paid, in line with your level of participation in the DRP at the next Dividend Record Date.

At what price will shares be issued or transferred to me under the DRP?

The price of Shares to be issued or transferred under the DRP for each Dividend is the average market price of Shares (based on the average of the daily volume weighted average price of Shares traded on the ASX) during the 5 Trading Days commencing on the first Business Day following the Record Date for the Dividend (or any other period specified by the Directors). Under the Rules, Kip McGrath may choose to provide a discount in relation to Shares allocated under the DRP (which will be announced to ASX along with the details of the relevant Dividend).

How is my entitlement calculated?

Following the payment of a Dividend by Kip McGrath, the Dividend payable on your Participating Shares (less any withholding tax or any other amounts Kip McGrath is entitled or required to deduct from the payment) will be paid into a "DRP account" that will be established for you.

Computershare will then determine the number of Shares to be allocated to you by dividing the amount in your DRP Account by the Allocation Price for Shares under the DRP and rounding that number down to the nearest whole number.

What happens to any residual value after each Dividend?

The application of the dividend reinvestment formula normally results in a residual amount. This is because your Dividend amount will be used to acquire a whole number of Shares, usually leaving a residual amount which is less than the price of one Kip McGrath Share.

For each Dividend, if there is a residual amount, then the residual amount on each Dividend will be carried forward in your DRP Account, without interest, and added to your next Dividend.

If you cease to participate in the DRP before the Record Date of a Dividend but continue to hold Shares at the Record Date for the next Dividend, you will be taken to have directed the Company to donate any residual balance in your DRP Account on your behalf to one or more registered charities, nominated by the Board from time to time (other than in limited circumstances set out in the Rules).

Can I sell my Shares allocated under the DRP?

Yes. You can sell any or all of your Shares at any time. However, if you sell all of your Shares, your participation in the DRP will cease with effect from the date Kip McGrath registers the sale.

If you elect full participation and then sell some of your Shares, the Dividends on your remaining Shares will continue to be reinvested under the DRP. If you elect partial participation and then sell some of your Shares, the number of Shares sold will be deemed to the full extent possible to be Non-participating Shares and the balance, if any, will be deemed to be Participating Shares under the DRP.

Will I incur any costs in participating in the DRP?

The allocation of Shares under the DRP will not be subject to brokerage, commission, or other transaction costs.

All Kip McGrath will bear all of its own administrative costs. You will be responsible for any applicable assessed taxes.

What are the tax implications of participating?

Dividends reinvested into Shares are usually treated as Dividends received in the hands of the shareholder for Australian tax purposes.

For Australian tax purposes, an Australian resident shareholder participating in the DRP should be treated as having received the Dividends which have been reinvested in acquiring additional Kip McGrath Shares. The tax treatment of Dividends received on Participating Shares should be the same as Dividends received on Non-participating Shares. That is, the grossed up Dividend (i.e. including franking credits) should be assessable to the shareholder at their marginal tax rate and the shareholder may be entitled to claim a tax offset equal to the franking credits.

The Australian tax implications of a future sale of additional Shares acquired under the DRP will depend on the particular circumstances of the shareholder. For capital gains tax purposes, the cost base of the additional Shares will include the amount of the Dividend reinvested to acquire those additional Shares. Shareholders should retain records supporting the calculation of their cost base in those additional Shares.

The Company takes no responsibility for any taxation liability of Participants. Shareholders should seek taxation advice specific to their individual circumstances from professional advisers before deciding whether or not to participate in the DRP.

Will I receive a Dividend Statement for the DRP?

After each allocation of Shares under the DRP, a dividend statement will be provided to you in accordance with the manner you ordinarily receive notices from Kip McGrath showing full details of Shares allocated to you under the DRP. You should keep this statement for taxation purposes.

How do the DRP Rules apply?

The DRP Rules are set out on pages 1 to 13 of this Booklet. You should read the DRP Rules carefully. In the event of any inconsistency between the Rules of the DRP and these questions and answers, the Rules of the DRP will prevail.

The Directors may amend, suspend, recommence or terminate the DRP at any time by giving notice to Shareholders or Participants and must separately notify ASX. Any such amendment, suspension, recommencement or termination will be effective from the date specified by the Directors in the notice.

Enquiries

If you have further general enquiries about how the DRP operates and how you can participate, please contact the Share Registry at:

Computershare Investor Services Pty Limited
Phone number: 1300 555 159
Online: www.computershare.com.au

Kip McGrath Education Centres Ltd

Dividend Reinvestment Plan Rules

Important notice

The Kip McGrath Education Centres Ltd Dividend Reinvestment Plan (**DRP**) allows Shareholders to reinvest all or part of any dividend paid on their Shares in subscribing for additional Shares instead of receiving the dividend in cash. Participation in the **DRP** is entirely optional and any election to participate may be revoked or varied at any time in accordance with these Rules.

The **DRP** will be administered in accordance with these Rules.

It is important that you read these Rules carefully before deciding whether to participate in the **DRP**. If you have any questions or need advice on whether you should participate in the **DRP**, please contact an independent professional adviser.

Rules

The following are the Rules of the Kip McGrath Education Centres Ltd Dividend Reinvestment Plan applicable to Shareholders.

1 Definitions and interpretation

1.1 Definitions

In these Rules, unless the context otherwise requires:

- (1) **Allocation Price** means the price per Share allocated to a Participant as determined under clause 8.4;
- (2) **ASX** means ASX Limited ABN 98 008 624 691, or the Australian Securities Exchange currently operated by ASX Limited, as the context may require;
- (3) **Board** means the board of Directors of the Company;
- (4) **Business Day** means a day which is a business day within the meaning of the Listing Rules;
- (5) **Company** means Kip McGrath Education Centres Ltd ACN 003 415 889;
- (6) **Constitution** means the constitution of the Company as amended from time to time;
- (7) **Directors** means the directors from time to time of the Company;
- (8) **Discount** means the percentage discount (if any) determined by the Company from time to time to be applied in calculating the Allocation Price per Share;
- (9) **Dividend** means a cash dividend per Share announced and payable by the Company;
- (10) **Dividend Payment** for a Shareholder means the Dividend multiplied by the number of Shares held by that Shareholder as at the Record Date, less any

withholding tax or any other amounts the Company is entitled or required to deduct from the payment;

- (11) **DRP** means the Kip McGrath Education Centres Dividend Reinvestment Plan to which these Rules apply, as varied from time to time;
- (12) **DRP Account** means an account in the name of a Participant established by the Company under clause 8.2 and maintained in accordance with these Rules;
- (13) **Election Notice** means an election to participate in the DRP substantially in the form prescribed or approved from time to time by the Directors, including any electronic election notice, which form may be combined with or form part of any other form or notice;
- (14) **Eligible Shareholder** means, subject to clause 4.1(2), a person registered as the holder of a Share:
 - (a) whose address as it appears on the register of members of the Company is (and, in the case of a Share held jointly by two or more persons, all of whose addresses appearing in such register are situated) in Australia or New Zealand; or
 - (b) whose address as it appears on the register of members of the Company is (and, in the case of a Share held jointly by two or more persons, one of whose addresses appearing in such register is) outside Australia and which the Company is satisfied that the offer and issue or transfer of Shares under the DRP is lawful and practicable;
- (15) **Listing Rules** means the official listing rules of the ASX and any other applicable rules of ASX modified to the extent of any express written waiver by ASX;
- (16) **Non-participating Shares** means Shares which are not subject to the DRP;
- (17) **Normal Trade** means all trades excluding trades that are special crossings, crossings prior to the commencement of normal trading or during the closing phase or after hours adjustment phase, overnight crossings, overseas trades, trades pursuant to the exercise of options over Shares, or any other trade determined by the Directors in their discretion not to be reflective of normal trading in Shares;
- (18) **Participant** means a registered holder of Shares whose application to participate in the DRP has been accepted by the Directors;
- (19) **Participating Shares** means Shares which a Shareholder has validly elected for participation in the DRP or which are otherwise taken under these Rules to participate in the DRP;
- (20) **Pricing Period** in respect of a Dividend, means the 5 Trading Days commencing on the first Business Day following the Record Date for the Dividend, or any other period specified by the Directors;
- (21) **Record Date** means the date nominated by the Directors for the purposes of identifying the Shareholders who are entitled to receive a Dividend;
- (22) **Rules** means these Rules of the DRP as amended from time to time;
- (23) **Shareholder** means a registered holder of Shares;

- (24) **Share Registry** means Computershare Investor Services Pty Limited or any other share registry that maintains the Share register of the Company;
- (25) **Shares** means fully paid ordinary shares in the capital of the Company;
- (26) **Termination Notice** means a notice to terminate participation in the DRP in or substantially in the form prescribed or approved by the Directors from time to time, including any electronic termination notice, which form may be combined with or form part of any other form or notice;
- (27) **Trading Day** has the meaning given to that term under the Listing Rules; and
- (28) **Variation Notice** means a notice to vary participation in the DRP in the form prescribed or approved from time to time by the Directors, including any electronic variation notice, which form may be combined with or form part of any other form or notice.

1.2 Interpretation

In these Rules, unless the context otherwise requires:

- (1) words importing one gender include any gender;
- (2) words importing the singular include the plural and the plural include the singular;
- (3) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate;
- (4) a reference to a document or these Rules includes any variation or replacement of it;
- (5) a reference to legislation includes regulations and other instruments made under that legislation and any variation or replacement of any of them;
- (6) a reference to time is to the time in Sydney, Australia;
- (7) headings are for convenience only and do not form part of these Rules or affect their interpretation; and
- (8) a Shareholder who has, in respect of a distinct number of Shares held by that Shareholder, separate holder numbers is, for the purposes of these Rules, deemed to be a separate and distinct Shareholder in relation to:
 - (a) each holder number; and
 - (b) the Shares from time to time allocated to that holder number.

2 The DRP

2.1 General

The DRP is a means by which Shareholders may elect to receive Shares instead of cash for Dividends declared by the Company in respect of all or part of their holdings of Shares.

2.2 Participation in the DRP

Participation in the DRP is:

- (1) optional and voluntary;
- (2) not transferable; and
- (3) subject to these Rules, applicable law and the Constitution.

2.3 Participants to be bound

Participants are at all times bound by these Rules.

3 Activation of DRP

The Directors may determine the date of activation of the DRP and these Rules.

4 Eligibility to Participate

4.1 Eligibility

- (1) The Company may from time to time invite Shareholders to participate in the DRP.
- (2) The Board is entitled to make a final determination as to whether or not any particular Shareholder is an Eligible Shareholder for the purposes of these Rules, 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.

4.2 Discretion of the Directors

The Directors may at any time exclude a Shareholder from participating in the DRP if they consider that:

- (1) for any reason, participation by that Shareholder would not be in the best interests of the Company or would prejudice the effective operation of the DRP;
- (2) the Shareholder might breach any applicable law as a result of participation; or
- (3) the Shareholder is holding Shares on behalf of persons that are not Eligible Shareholders.

4.3 Election Notice

To apply to participate in the DRP, Eligible Shareholders must complete, sign and lodge an Election Notice with the Share Registry. The Company may determine that applications and notices to the Company may be lodged electronically either through the Company's website or that of an authorised third party (including the Share Registry). Any application or notice lodged electronically must comply with the applicable terms and conditions of the electronic lodgement facility. An Election Notice can be obtained from the Company's website at <https://www.kipmcgrath.com/global/shareholder-information> or by contacting the Company's Share Registry (see clause 19 for details).

5 Level of participation

5.1 Full or partial participation

A Shareholder who wishes to participate in the DRP may elect one of the two following levels of participation in the DRP by specifying on the Election Notice whether the Shareholder wishes to fully or partially participate in the DRP.

(1) Full participation

A Shareholder may participate in the DRP in respect of all Shares registered in the name of the Shareholder as at each Record Date.

(2) Partial participation

A Shareholder may nominate a specific number of Shares, less than the Shareholder's total holding, to be subject to the DRP.

5.2 Full dividend payable

Neither full participation nor partial participation applies to Shares in respect of which, as at the relevant Record Date, a full Dividend is not then payable or Shares where the Company is entitled to retain a Dividend as a result of any lien or other security interest in favour of the Company in accordance with the Constitution or at law.

5.3 Shares subsequently acquired where full participation

If a Participant has elected full participation, all Shares subsequently acquired by the Participant, whether under the DRP or otherwise, are added to the number of Participating Shares of that Participant unless a Variation Notice has been delivered to the Company in accordance with clause 13.

5.4 Shares subsequently acquired where partial participation

If a Participant has elected partial participation, no Shares subsequently acquired by the Participant, whether under the DRP or otherwise are Participating Shares, unless a Variation Notice has been delivered to the Company in accordance with clause 13.

6 Election Notices

6.1 Notice for full participation

If a Shareholder wishes all of its Shares to become Participating Shares, it must lodge an Election Notice in accordance with clause 4.3 electing full participation.

6.2 Notice for partial participation

If a Shareholder wishes some of its Shares to become Participating Shares, it must lodge an Election Notice in accordance with clause 4.3 indicating how many Shares are to become Participating Shares and only the number of Shares so specified will become Participating Shares.

6.3 Notice of participation not specified

Election Notices received by the Company which do not indicate the degree of participation in the DRP will, without notice to the applicant, be treated as an application for full participation in the DRP.

6.4 Joint holders

An Election Notice to participate in the DRP by joint holders must be signed by all such holders 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.

6.5 Multiple holdings

Where an Eligible Shareholder has more than one holding of Shares:

- (1) each holding will be treated as separate for the purposes of the DRP, such that a separate Participation Notice must be lodged with respect to each separate holding that is to participate; and
- (2) these Rules will apply as if each such holding were held by a separate Participant, unless the Board determines otherwise.

6.6 Broker, trustee or nominee accounts

If:

- (1) a shareholding account appearing in the Company's share register relates to a broker's clearing account, trustee or nominee; and
- (2) the broker, trustee or nominee notifies the Company that the relevant Shares are held for a number of different persons and specifies the number of Shares held for each of such persons as at a particular Record Date (although the names of such persons need not be specified),

then the Board may determine that each such holding shall, as at that Record Date, be taken to represent a separate Shareholder for the purpose of any minimum or maximum participation level, and these Rules will be read and interpreted accordingly.

6.7 Term of Election Notice

An Election Notice given by a Participant in accordance with these Rules remains in force until:

- (1) the Participant provides the Company with a Variation Notice in accordance with clause 13.1;
- (2) the Participant provides the Company with a Termination Notice in accordance with clause 14.1;
- (3) the Participant's participation in the DRP ceases in accordance with clauses 4.2, 14.4, 14.5 or 14.6;
- (4) the DRP is otherwise suspended or terminated by the Company in accordance with these Rules; or
- (5) the Participant ceases to be an Eligible Shareholder, in which case the Election Notice will become effective again if and at such time as the Shareholder recommences to be an Eligible Shareholder.

6.8 Shares sold or transferred to third party

Shares which are sold or otherwise transferred by a Participant to a new owner cease to participate in the DRP on registration of the transfer.

7 Acceptance of applications

7.1 Discretion of directors

The Directors may in their absolute discretion accept or refuse any Election Notice, without being bound to give any reason for doing so.

7.2 Rejection of Election Notice

If the Directors refuse to accept an Election Notice pursuant to clause 7.1, the Company must notify the Shareholder as soon as is practicable that the Election Notice has been rejected.

7.3 Effectiveness of Election Notice

Each Election Notice accepted by the Directors will be effective in respect of:

- (1) the first Dividend payment after receipt of the Election Notice, provided it is received by the first Business Day following the Record Date for that Dividend; and
- (2) every Dividend thereafter,

unless superseded by a later Variation Notice or by termination of the Participant's participation in the DRP, or the DRP has been suspended or terminated.

7.4 Record of participation

The Company will record the following particulars of each Participant for each shareholding account:

- (1) the name and address of the Participant; and
 - (2) the number of Participating Shares held by the Participant from time to time,
- and the Company's records will be conclusive evidence of the matters so recorded.

8 Operation of the DRP

8.1 Discretion of Directors

- (1) The Directors may determine to distribute Shares to a Participant in respect of a Participant's Participating Shares for any Dividend in satisfaction of its obligations under these Rules by issuing new Shares or transferring existing Shares to a Participant, or a combination of both.
- (2) If the Directors determine to cause the transfer of Shares to Participants, the Shares may be acquired in the market in such manner as the Directors consider appropriate.
- (3) The Directors in their complete discretion may:
 - (a) have the DRP underwritten in respect of one or more Dividends;
 - (b) limit participation in the DRP to a maximum dollar amount per Participant or a maximum number of Participating Shares per Participant (**Maximum Participating Holding**); or

- (c) determine a minimum permitted number of Participating Shares per Participant that may participate in the DRP (**Minimum Participating Holding**).
- (4) To the extent that a Participation Notice 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 the Minimum Participating Holding applies:
 - (a) the number of Participating Shares for that Participant for the purposes of these Rules is deemed to be zero; and
 - (b) any Shares specified in the Participation Notice as Participating Shares 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) To the extent that a Participation Notice 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 the Maximum Participating Holding applies:
 - (a) the number of Participating Shares for that Participant for the purposes of these Rules is deemed to be the Maximum Participating Holding; and
 - (b) any Shares specified in the Participation Notice as Participating Shares in excess of the Maximum Participating Holding 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.
- (6) The Company may implement the DRP in the manner which the Directors see fit and settle any difficulty, anomaly or dispute which may arise by the operation of the DRP as it sees fit, and any such determination is binding on all Shareholders.

8.2 **DRP Account**

The Company must maintain a separate DRP Account for each Participant.

8.3 **Participant's Entitlement**

The Company must in respect of each Dividend payable to a Participant:

- (1) determine the Dividend Payment in respect of that Participant's Participating Shares;
- (2) credit the amount in clause 8.3(1) to the Participant's DRP Account, and that payment constitutes payment of the Dividend on the Participant's Participating Shares;
- (3) determine the maximum whole number of Shares which may be acquired under the DRP by dividing the amount in the Participant's DRP Account by the Allocation Price and rounding that number down to the nearest whole number;
- (4) issue or transfer that number of Shares determined under clause 8.3(3) to the Participant and debit the Participant's DRP Account with the total of the price for such Shares; and

- (5) retain in the Participant's DRP Account any amount of residue of the Dividend less than the value of one Share. No interest accrues on the residue so retained.

8.4 Price of Shares

The price of Shares to be issued or transferred under the DRP for each Dividend is the arithmetic average of the daily volume weighted average market price of all Shares sold through a Normal Trade on the ASX automated trading system (and/or such other trading system as the Directors may determine from time to time) during the Pricing Period, less such Discount, if any, as determined by the Directors from time to time. The weighted average market price is to be determined by the Company from information obtained from ASX.

8.5 Notice of Discount

- (1) At the time of announcing a Dividend to which the DRP applies in accordance with the Listing Rules, the Company must give notice of the Discount applicable to the Dividend as determined by the Directors in accordance with clause 8.4.
- (2) A Discount (if any) or Pricing Period may be different from one Dividend to the next, and either may be determined or varied by announcement on the Company's website and to ASX at any time.

8.6 Residual balance to be retained

Subject to clause 15.5, any residual balance in a Participant's DRP Account will remain in the Participant's DRP Account (without accruing interest) and will be aggregated with any further Dividend Payment credited to the Participant's DRP Account.

9 Issue and transfer of Shares under the DRP

9.1 Terms of issue

All Shares issued or transferred under the DRP:

- (1) rank equally in every respect with existing fully paid ordinary shares of the Company; and
- (2) participate in all Dividends subsequently declared.

9.2 Registration

All Shares issued or transferred to a Participant under the DRP will be registered on the register on which a Participant holds most Participating Shares unless the Participant requests that they be registered on another register.

10 Statements to Participants

- 10.1 Where the DRP operates in respect of a Dividend, the Company must send to each Participant as soon as possible after the Dividend payment date, a statement detailing in respect of that Participant:

- (1) the number of Participating Shares as at the relevant Record Date;
- (2) the amount of residue in the Participant's DRP Account immediately prior to that Dividend;

- (3) the amount of the Dividend referable to the Participating Shares;
- (4) the number of Shares issued or transferred under the DRP and for which a statement of holding is to be issued;
- (5) the amount of residue remaining in the Participant's DRP Account after reduction of the value of the Shares issued or transferred;
- (6) the Participant's total holding of Shares after allocation;
- (7) the Allocation Price of each Share allocated to the Participant;
- (8) the franked amount (if any) of the Dividend Payment and the franking credit (if any) attached to the Dividend; and
- (9) any other information which the Directors determine is appropriate.

10.2 Statements to a partially participating Participant need not include information as to the Participant's Non-participating Shares.

11 ASX quotation

The Company must promptly make an application for any Shares issued under the DRP to be listed for quotation on the official list of ASX, if other Shares of the Company are quoted at that time.

12 Costs to Participants

No brokerage, commission or other transaction costs are payable by Participants on Shares issued or transferred under the DRP and under the present law no stamp duty is payable by Participants. However, the Company does not assume liability for any taxes or other imposts assessed against or imposed on a Participant. Participants should consult their independent tax advisers as they may be liable for tax on any dividends reinvested pursuant to the DRP.

13 Variation to participation

13.1 Variation by Participant

Subject to clause 17.4, a Participant may at any time vary the Participant's participation in the DRP, including to increase or decrease the number of Shares subject to the DRP, by completing and lodging a duly signed and completed Variation Notice.

13.2 Joint holdings

Where Shares are held jointly, all joint Shareholders must sign a Variation Notice.

14 Termination of participation

14.1 Termination by Participant

Subject to clause 17.4, a Participant may, at any time, terminate the Participant's participation in the DRP by completing and lodging a duly signed and completed Termination Notice.

14.2 Joint holdings

Where Shares are held jointly, all joint Shareholders must sign a Termination Notice.

14.3 Part disposal and no notice

Where a partially participating Participant disposes of a number of the Participant's Shares and does not notify the Company to the contrary, the Shares disposed of are, to the fullest extent possible, taken to be:

- (1) first, Non-participating Shares; and
- (2) second, Participating Shares.

14.4 Full disposal

Where a Participant disposes of all of the Participant's Participating Shares, the Participant's participation in the DRP ceases on the date on which the last transfer is registered by the Company.

14.5 Death of a Participant

If a Participant dies, participation in the DRP by that Participant is terminated with effect from the time of receipt of notice by the Company of the death of the Participant. The death of one or more joint Shareholders does not operate to terminate the participation in the DRP of the remaining Shareholder or joint Shareholders.

14.6 Bankruptcy of a Participant

If a Participant is declared bankrupt or is wound-up, the Participant's participation in the DRP is terminated with effect from the time of receipt of notice by the Company of the bankruptcy or winding up of the Participant. The bankruptcy or winding up of one or more joint Shareholders does not operate to terminate the participation in the DRP of the remaining Shareholder or joint Shareholders.

15 Amendment, suspension, recommencement and termination of the DRP

15.1 Discretion of Directors to amend, suspend, recommence or terminate the DRP

- (1) The Directors may amend, suspend, recommence or terminate the DRP at any time by giving notice to Shareholders or Participants and must separately notify ASX.
- (2) Any such amendment, suspension, recommencement or termination will be effective from the date specified by the Directors in the notice.

15.2 Amendment

In the case of an amendment, a Participant will be deemed to continue his or her participation in the DRP and the Rules as amended unless the Participant lodges a Termination Notice.

15.3 Suspension

In the case of a suspension:

- (1) all Shares will be deemed to be Non-participating Shares until recommencement of the DRP;
- (2) all elections to participate in the DRP will be suspended; and
- (3) any residual balance in a Participant's DRP Account will be dealt with in accordance with clause 15.5.

15.4 **Recommencement**

If, following a suspension of the DRP, the Directors resolve to recommence operation of the DRP, each Shareholder who was a Participant immediately prior to the suspension of the DRP will be taken to continue participation in the DRP when it recommences with, subject to the Rules, the same level of participation before the suspension, unless the Directors resolve otherwise.

15.5 **Residue in DRP Account**

- (1) The residue retained in a Participant's DRP Account is not available to the Participant other than as expressly provided in these Rules.
- (2) Where the DRP is suspended or terminated by the Company in accordance with these Rules, the Company must pay the amount of the residue, without interest, to the Shareholder or the legal personal representative of the Shareholder, as the case may be, as soon as reasonably practicable thereafter.
- (3) Where the Participant ceases to be a Participant in the DRP for whatever reason under these Rules, the Participant will be taken to have directed the Company to donate any residual balance in the Participant's DRP Account on behalf of the Participant to one or more registered charities, nominated by the Board from time to time. Participants will not be issued with a receipt in connection with any donation made under this clause.

16 **Taxation**

- 16.1 Neither the Company nor its Directors, officers, employees, representatives or agents take any responsibility or assume any liability for the taxation liabilities of Participants.
- 16.2 As individual circumstances and laws vary considerably, specific taxation advice from professional advisers should be obtained by each Participant.

17 **Notices**

- 17.1 An Election Notice, a Variation Notice, a Termination Notice or any other notice given by a Shareholder to the Company in respect to the DRP (in this clause 17 all referred to as a **Notice**) must be in such form as the Directors determine.
- 17.2 The Directors may determine that a Notice may be lodged electronically, either through the Company's website (<https://www.kipmcgrath.com/global/shareholder-information>) or that of an authorised third party, such as the Share Registry. Any electronic facility will be referred to on the Company's website and announced to ASX. Any Notice lodged electronically must comply with the Rules of the facility.
- 17.3 Notices to the Company must be sent to the Share Registry, or such other address as the Company notifies to Shareholders from time to time.

- 17.4 A Notice must be received by the Company before 5.00pm Sydney time on the first business day following the Record Date for a Dividend for the Notice to take effect for that Dividend. A Notice received after that time will only be effective for subsequent Dividends.

18 General

- 18.1 Any power, discretion or function of the Company under these Rules may be exercised or undertaken by the Board, and the Board may delegate any such power, discretion or function to any person.
- 18.2 Neither the Company nor any officer, employee, agent or adviser of it is liable or responsible to any Shareholder or Participant for any loss or alleged loss or disadvantage suffered or incurred by them as a result, directly or indirectly, of any one or more of:
- (1) the establishment or operation of the DRP;
 - (2) participation or non-participation in the DRP; or
 - (3) any advice given with respect to participation in the DRP by any person.
- 18.3 The law of New South Wales governs the DRP, these Rules and the operation of the DRP.
- 18.4 The Company and each Participant submits to the exclusive jurisdiction of the courts of New South Wales and the Federal Court of Australia.
- 18.5 Despite anything else in these Rules, the Listing Rules prevail to the extent of any inconsistency with these Rules.

19 Additional information

If you have any further enquires (other than concerning taxation) about how the DRP operates and how you can participate, please contact the Company's Share Registry at:

Computershare Investor Services Pty Limited
Phone number: 1300 555 159
Online: www.computershare.com.au



Enquiries:

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

Securityholder Reference Number (SRN)

KME

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

SRN WITHHELD DEC

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

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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

--

Director

Securityholder 2

--

Director/Company Secretary

Securityholder 3

--

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

		/			/				
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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.

Please return the completed form to:

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

D1001

KME

