

ASX Announcement

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The Manager
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Change to Dividend Reinvestment Plan Rules

BKI Investment Company Limited (ASX: BKI) advises that the Board of BKI Investment Company Limited (BKI) has resolved to change the BKI Dividend Reinvestment Plan (DRP) Rules such that the last election date for participation in the DRP is the business day following the record date for a dividend.

This change to the DRP Rules provides BKI shareholders with additional time to lodge or update an election to participate in the BKI DRP after the announcement of a dividend by the company. It aligns the BKI DRP Rules with the proposed amendment by the ASX to the timetable for dividends in Appendix 6A of the Listing Rules.

Attached is a copy of the revised BKI DRP Rules. A copy of the BKI DRP booklet containing the DRP Rules can also be found on the company's website at www.bkilimited.com.au.

Yours faithfully



Jaime Pinto
Company Secretary



**BKI INVESTMENT
COMPANY LIMITED**

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BKI Investment Company Limited
ABN 23 106 719 868

Dividend Reinvestment Plan

Rules

BKI INVESTMENT COMPANY LIMITED DIVIDEND REINVESTMENT PLAN RULES

1. Definitions

In these Rules, unless the context otherwise requires:

Board means the board of directors of BKI.

Constitution means the constitution of BKI from time to time.

DRP means the Dividend Reinvestment Plan established under these Rules as varied from time to time.

Holding means a registered holding of Shares in respect of a Shareholder.

Notice of Election has the meaning given to it in clause 3.1.

Notice of Variation means a notice to increase or decrease the number of a Participant's Plan Shares, or to terminate participation in the DRP, in the form that the Board from time to time approves.

Participant means a Shareholder some or all of whose Shares are participating in the DRP.

Plan Shares means the Shares comprised in a particular Holding which are designated (subject to these Rules) by a Participant as Shares the dividend on which is to be applied in subscribing for or acquiring Shares under the DRP.

Price means the price at which Shares will be allotted or acquired under the DRP as calculated in accordance with clause 5.

Record Date has the meaning given to it in the Australian Stock Exchange Limited Listing Rules.

Rules means the rules of the DRP as varied from time to time.

Shares means fully paid ordinary shares in the capital of BKI.

Shareholder means a registered holder of Shares within the meaning of the Constitution of BKI.

BKI means BKI Investment Company Limited (ABN 23 106 719 868).

2. Participation in the DRP

- 2.1 Participation in the DRP is subject to these Rules.
- 2.2 Participation is optional and open to each Shareholder unless excluded under these Rules.
- 2.3 A Shareholder who is subject to the laws of a country or place other than Australia may not participate in the DRP until the Board, in its absolute discretion, is satisfied that such participation will not constitute a breach of the laws of that country or place, whether or not that Shareholder has received an invitation to participate in the DRP or has completed a Notice of Election.
- 2.4 The Board may on any occasion determine that the right to participate in the DRP is not available to a Shareholder having a registered address or being resident in a country or place where, in the absence of a prospectus, disclosure document, registration statement or other prerequisite, the offer of a right of election, or participation, would or might be unlawful.
- 2.5 If, in the reasonable opinion of the Board, the issue of Shares under the DRP to, or the acquisition of Shares under the DRP by, a Participant or the holding of those Shares by a Participant may breach a provision of the Constitution or be contrary to the law of any country, may prejudice the effective operation of the DRP or is otherwise in the sole opinion of the Board undesirable or impractical, the Board may:
 - (a) decline to issue or transfer those Shares;
 - (b) reduce the issue or transfer of those Shares on a proportionate basis; or
 - (c) reduce or suspend the participation of that Participant in the DRP.
- 2.6 The Board may, in its discretion, refuse to permit any Shareholder to participate in the DRP where that Shareholder elects to participate in respect of a number of Shares which is less than 100 or such other number as the Board may determine.

3. Application to participate

Application to participate in the DRP must be made on the form prescribed by the Board from time to time (**Notice of Election**). A Notice of Election given under this clause which is received by BKI after 5:00pm (Sydney time) on the first business day after the Record Date for a dividend is not effective for that dividend, but takes effect in respect of the next dividend.

4. Degree of participation

- 4.1 Participation in the DRP may be either full or partial. A Shareholder must (subject to clause 4.4) specify in the Notice of Election the extent to which the Shareholder wishes to participate in the DRP.
- 4.2 Under full participation, all Shares registered from time to time in the Participant's name, including Shares issued pursuant to the DRP, will be subject to the DRP.
- 4.3 Under partial participation, only that number of Shares as specified in the Notice of Election by the Shareholder will be subject to the DRP. However, if at any time the number of Shares held by the Participant is less than the specified number of Shares in a Notice of Election, then the provisions of the DRP in respect of a dividend payment will apply to the lesser number of Shares. Where a Shareholder is a partial Participant, all Shares subsequently acquired by the Shareholder, whether under the DRP or otherwise, will only participate in the DRP to the extent that the Shareholder alters the participation level in accordance with clause 10.
- 4.4 If a Notice of Election does not indicate the level of participation in the DRP, it will be deemed to be an application for full participation.
- 4.5 If a Notice of Election purports to nominate a Holding for both full participation and partial participation at the same time, the Notice of Election will be invalid and of no effect whatsoever.

5. Operation of the DRP

- 5.1 Each dividend which is payable to a Participant in respect of Plan Shares and which is available for payment to the Participant will be applied by BKI on the Participant's behalf in acquiring or subscribing for additional Shares.
- 5.2 The Board in its absolute discretion will determine with respect to the operation of the DRP for any dividend whether to issue new Shares or to cause the transfer of Shares to a Participant, or to

apply a combination of both options, to satisfy the obligations of BKI under these Rules.

- 5.3 If the Board determines to cause the transfer of Shares to Participants, the Shares may be acquired in the market in such manner as the Board considers appropriate.
- 5.4 BKI will establish and maintain a DRP account for each Participant. BKI will, in respect of each dividend payable to a Participant:
- (a) determine the amount of the dividend payable in respect of the Plan Shares;
 - (b) determine the withholding payments (if any) deductible by BKI in respect of the dividend payable on the Plan Shares, and any other sum BKI is entitled to retain in respect of the Plan Shares;
 - (c) credit the amount in clause 5.4(a) and debit any amount in clause 5.4(b) to the Participant's DRP account;
 - (d) determine the maximum whole number of additional Shares which may be acquired under the DRP at the Price by using the amount in the Participant's DRP account;
 - (e) on behalf and in the name of the Participant, subscribe for or cause the transfer of that number of additional Shares determined under clause 5.4(d) and debit the Participant's DRP account with the total of the subscription price or the acquisition amount (as the case may be) for the additional Shares;
 - (f) allot the additional Shares to the Participant (if applicable), and add the number of Shares allotted or acquired to the total number of Shares comprised in the relevant Holding; and
 - (g) retain in the Participant's DRP account, without interest, any cash balance remaining.
- 5.5 The Shares will be transferred or allotted under the DRP at the Price which will be the arithmetic average (rounded to the nearest cent) of the daily volume weighted average market price of all Shares sold in the ordinary course of trading on the Australian Stock Exchange Limited automated trading system during the five trading day period starting on (and including) the first business day after the Record Date in respect of the relevant dividend and ending on (and including) the fifth business day after that Record Date,

less any discount (not exceeding 5%) determined by the Board from time to time.

- 5.6 The daily volume weighted average market price referred to above will be calculated by the Board, or another suitable person nominated by the Board, by reference to information the Board approves from time to time. The determination of the Price by the Board or some other person nominated by the Board will be binding on all Participants.

6. Shares allotted under the DRP

- 6.1 Shares allotted under the DRP will be allotted in accordance with the Australian Stock Exchange Limited Listing Rules and, from the date of allotment, will rank equally in all respects with existing Shares.
- 6.2 Shares allotted under the DRP will be allotted on, or as soon as practicable after, the relevant dividend payment date and will be registered on the register where the Participant's holding of Shares is currently registered. If the Participant holds Shares on more than one register (one of which is BKI's principal share register), the Shares allotted under the DRP will be registered on the principal share register unless and until the Participant requests otherwise.
- 6.3 If a Participant holds shares in certificated form, a share certificate will be issued for the total number of Shares allotted or acquired under the DRP in respect of each dividend on those Shares. If a Participant holds Shares in uncertificated form, a statement showing the total number of Shares allotted or acquired in respect of each dividend on those Shares will be issued. The certificate or statement will be forwarded to Participants as soon as practicable after allotment or acquisition.

7. DRP statements

On, or as soon as practicable after, each dividend payment date, BKI will send to each Participant a statement setting out:

- (a) the number of the Participant's Plan Shares as at 5:00pm (Sydney time) on the first business day after the relevant Record Date;

- (b) the amount of dividend payable to the Participant (less any amounts referred to in clause 5.4(b)) in respect of the Participant's Plan Shares;
- (c) the amount in the Participant's DRP account immediately prior to the payment of the relevant dividend;
- (d) the number of Shares transferred or allotted to the Participant under the DRP and the Price of those Shares;
- (e) the cash balance (if any) retained in the Participant's DRP account after deduction of the amount payable on subscription for the additional Shares; and
- (f) the number of Shares comprised in the Holding after transfer and/or allotment.

8. Stock exchange listing

BKI will apply for Shares allotted under the DRP to be listed for quotation on the official list of the Australian Stock Exchange Limited as soon as practicable after the date of allotment.

9. Costs to Participants

No brokerage, commission or other transaction costs will be payable by Participants in respect of Shares transferred or allotted under the DRP and no stamp duty or other duties will be payable under present law in respect of Shares transferred or allotted under the DRP.

10. Variation or termination of participation

10.1 Subject to clause 13, a Participant may at any time give a Notice of Variation to BKI:

(a) to increase or decrease the number of the Participant's Shares participating in the DRP; or

(b) to terminate the Participant's participation in the DRP.

A Notice of Variation given under this clause which is received after 5:00pm (Sydney time) on the first business day after the Record Date for a dividend is not effective for that dividend, but takes effect in respect of the next dividend.

- 10.2 If a Participant increases the level of participation in the DRP to full participation, all of the Participant's Shares as at the date of the Notice of Variation and all Shares subsequently acquired by the Participant (including Shares transferred or allotted under the DRP) will participate in the DRP.
- 10.3 If a Participant increases or decreases the level of participation in the DRP to below full participation, only that number of Shares specified in the Notice of Variation will participate in the DRP and no Shares subsequently acquired by the Participant (including Shares transferred or allotted under the DRP) will participate in the DRP.
- 10.4 If a Participant dies, participation in the DRP will be terminated upon receipt by BKI of written notice of the death. If a Participant is declared bankrupt or is wound up, participation in the DRP will be terminated upon receipt by BKI of a notification of bankruptcy or winding up from the Participant or the Participant's trustee in bankruptcy or liquidator, as the case may be. The death, bankruptcy or winding up of one or more joint holders will not automatically terminate participation.
- 10.5 Upon termination of participation for whatever reason, BKI will forward, unless otherwise directed, to the Participant or the Participant's legal representative:
- (a) a statement of the Participant's DRP account made to the date of termination; and
 - (b) the cash balance (if any) shown in the Participant's DRP account as at the date of termination.

11. Reduction or termination of participation where no notice is given

- 11.1 Where all of a Participant's Shares are subject to the DRP and the Participant disposes of some of those Shares then, unless the Participant advises BKI otherwise, the remaining Shares held by the Participant will continue to participate in the DRP.

- 11.2 Where some of a Participant's Shares are subject to the DRP and the Participant disposes of part of that Holding, then unless the Participant advises BKI otherwise, the Shares disposed of will, to the extent possible, be deemed to be Shares other than Plan Shares. If the number of Shares disposed of exceeds the number of the Participant's Shares which are not Plan Shares, the disposal will be deemed to include all of the Participant's Shares which are not Plan Shares, and the balance (if any) of the Shares disposed of will be attributed to Plan Shares.
- 11.3 Where a Participant disposes of all Shares without giving BKI notice of termination of participation, the Participant will be deemed to have terminated participation in the DRP on the last date on which BKI registered a transfer or instrument of disposal of the Participant's Holding.

12. Variation, suspension and termination

- 12.1 The DRP may be varied, suspended or terminated by the Board at any time. The variation, suspension or termination will take effect upon the date specified by the Board.
- 12.2 The Board may give written notice of any such variation, suspension or termination as it considers appropriate. A variation, suspension or termination of the DRP will not be invalidated by an accidental omission to give notice of the variation, suspension or termination to a Shareholder or the non-receipt of any notice by any Shareholder and will not give rise to any liability on the part of, or right or action against, the Board or BKI.
- 12.3 Any suspension of the DRP will continue until such time as the Board resolves either to recommence or terminate the DRP. If the DRP is recommenced then elections as to participation in respect of the previously suspended DRP will be valid and have full force and effect in accordance with these Rules for the purposes of the recommenced DRP.
- 12.4 In the event of termination of the DRP, BKI will forward to each Participant a statement of the Participant's DRP account as at the date of termination, and the cash balance (if any) shown in the Participant's DRP account at that date.

13. Application and notices

- 13.1 Applications and notices to BKI must be in writing and in such form prescribed by the Board from time to time (or in such other form as the Board may accept).
- 13.2 Applications and notices will be effective upon receipt by BKI subject to:
- (a) these Rules;
 - (b) in the case of applications to participate, acceptance by BKI;
and
 - (c) receipt by BKI before the relevant Record Date for determining entitlements to dividends.

Applications or notices received on or after 5:00pm (Sydney time) on the first business day after the relevant Record Date will not be effective in respect of that dividend payment but will be effective for the next dividend.

14. General

- 14.1 The DRP will commence on the date determined by the Board.
- 14.2 Each Holding which a Shareholder has from time to time will be regarded as separate for the purposes of the DRP and the DRP will operate as if each such Holding were held by a separate person, unless the Board determines otherwise. Consequently, a separate Notice of Election must be delivered to BKI in relation to each Holding which a Shareholder wishes to nominate for full or partial DRP participation, and the Shareholder will be treated as a separate Participant in respect of each Holding nominated for participation (and a reference to Shares held or acquired by a Shareholder or Participant is a reference to Shares held or acquired in respect or on account of the relevant Holding).
- 14.3 Any dividend payable on Shares which a Participant has nominated as participating in the DRP and which dividend BKI is entitled to retain as a result of a charge in favour of BKI in accordance with the Constitution of BKI or other requirement of law will not be available for the purpose of participating in the DRP.

- 14.4 These Rules will be binding upon each person who is or becomes a Shareholder.
- 14.5 Subject to the Constitution of BKI, the Board may implement the DRP in the manner as the Board thinks fit, and may settle any difficulty which may arise either generally or in a particular case in connection with the DRP as the Board thinks fit. Without prejudice to the general powers of the Board under the Constitution and these Rules, the Board may settle in the manner as the Board thinks fit any difficulty, anomaly or dispute which may arise in connection with, or by reason of, the operation of the DRP, whether generally or in relation to any Shareholder or Holding or any Share or Shares and the determination of the Board will be conclusive and binding on all Shareholders and other persons to whom the determination relates.
- 14.6 Neither BKI nor any officer of BKI will be 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 the establishment or operation of the DRP or participation in the DRP or in relation to any advice given with respect to participation in the DRP.
- 14.7 The DRP, its operation and these Rules will be governed by and construed in accordance with the laws of the State of New South Wales, Australia.