



KAIZEN GLOBAL INVESTMENTS LIMITED (KGI)

KGI DIVIDEND RE-INVESTMENT PLAN (DRP) AND RULES

As at 4 December 2014

The DRP allows Shareholders to reinvest all or part of any dividend paid on their Shares in additional Shares instead of receiving the dividend in cash. Participation in the DRP is entirely optional. The DRP is administered in accordance with these DRP Rules.

It is important that you read these DRP 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.

1. Definitions

In these DRP Rules:

Applicable Law means the Financial Sector (Shareholdings) Act 1998, the Foreign Acquisitions and Takeovers Act 1975 and any other relevant provision of Australian law, the NSX Listing Rules, and where the context permits, applicable provisions of the law of the place last given as the address of the relevant Shareholder;

NSX means the National Stock Exchange of Australia Limited (ABN 11 000 902 063);

Constitution means the Constitution of Kaizen Global Investments Limited (ACN 602 033 670) as amended from time to time;

Directors means the board of KGI as defined in the Constitution or any duly appointed committee of the board;

DRP means the KGI Dividend Reinvestment Plan implemented and maintained by the Directors pursuant to the Constitution;

DRP Notice means a notice in such form as KGI may from time-to-time require;

DRP Rules means these rules as amended from time-to-time;

DRP Shares means Shares in respect of which a Shareholder has elected to participate in the DRP;

Full Participant means a Participant who has elected to participate in the DRP in respect of all of his/her Shares.

Listing Rules means the official Listing Rules of NSX modified to the extent of any waiver by NSX;

Non-DRP Shares means Shares not subject to the DRP;

Participant means a Shareholder some or all of whose Shares are DRP Shares;

Record Date means the date nominated by the Directors for the purpose of identifying the Shareholders who are entitled to receive a particular dividend;

Shares means fully paid ordinary shares in the capital of KGI;

Shareholder means a person holding Shares; and,

Trading Day has the same meaning as that term is defined in the Listing Rules.

2. Interpretation

2.1 In these DRP Rules, unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) words importing a gender include any gender;
- (c) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate;
- (d) a word or expression in the DRP Rules that deals with a matter dealt with by a provision of the Constitution has the same meaning as in that provision;
- (e) a reference to a document or these DRP Rules includes any variation or replacement of it; and
- (f) a reference to legislation includes regulations and other instruments made under it and any variation or replacement of any of them.

3. Applicable Law

3.1 These DRP Rules are subject to Applicable Law and to the Constitution.

4. Participation in the DRP

4.1 Participation in the DRP is optional and subject to these DRP Rules.

4.2 If, in the reasonable opinion of the Directors, the issue or transfer of the Shares by KGI or the holding of those Shares by the relevant Participant may breach any provision of Applicable Law or is otherwise in the sole opinion of the Directors undesirable or impractical, the Directors may at any time and from time to time:

- (a) decline to issue or transfer Shares under the DRP;
- (b) reduce the issue or transfer of Shares under the DRP on a proportionate basis; and/or
- (c) reduce or suspend the participation in the DRP by any Participant.

4.3 Any Shareholder having a registered address or being resident in a country other than Australia is not permitted to participate in the DRP, unless the Directors, in their absolute discretion, determine otherwise.

4.4 A Shareholder is solely responsible for obtaining any government or regulatory approvals and consents necessary for that Shareholder to be eligible to participate in the DRP.

5. Degree of Participation

5.1 A Shareholder may participate in the DRP in respect of all his/her Shares or in respect of some only of those Shares.

- 5.2 If a Shareholder wishes all of his/her Shares to become DRP Shares he/she must lodge a duly completed and executed DRP Notice electing full participation.
- 5.3 If a Shareholder wishes some only of his/her Shares to become DRP Shares he/she must lodge a duly completed and executed DRP Notice indicating how many Shares are to become DRP Shares and only the number of Shares so specified will become DRP Shares.
- 5.4 If a Shareholder elects in a DRP Notice to have a greater number of Shares than that held by the Shareholder as at the date of the DRP Notice participate in the DRP, the number of Shares so specified or the number of Shares actually held by the Participant on each relevant Record Date, whichever is the lesser, will be DRP Shares.
- 5.5 Where the Shareholder is a Full Participant in the DRP then all Shares subsequently acquired by the Shareholder whether under the DRP or otherwise will be DRP Shares.
- 5.6 Where a Shareholder is a partial Participant, then Shares subsequently acquired by the Shareholder whether under the DRP or otherwise will, subject to Clause 5.4 above, only be DRP Shares to the extent that the Shareholder so elects in a DRP Notice in accordance with Clause 13 below.
- 5.7 There is no limit on participation in the DRP unless the Directors determine that not more than a specified number or percentage of Shares registered in a Shareholder's name may participate in the DRP for a particular dividend.
- 5.8 If the Directors impose a limit on participation in the DRP under Clause 5.7 then, in relation to Shares held in a broker's clearing account (as defined in the Listing Rules), or by a trustee or nominee, the broker, trustee or nominee will be permitted to participate up to such limit in respect of each person whose Shares are held in that way.

6. Application for Participation

- 6.1 Application must be made on a duly completed and executed DRP Notice.

7. Operation of Plan

- 7.1 The Directors in their 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 KGI under these DRP Rules. 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.
- 7.2 KGI will establish and maintain a DRP account for each shareholding account of each Participant. KGI will in respect of each dividend payable to a Participant:
- (a) determine the amount of that dividend payable in respect of the Participant's DRP Shares;
- (b) determine (where applicable) the Australian withholding tax deductible by KGI in respect of the dividend, and any other sum KGI is entitled to retain in respect of the DRP Shares;
- (c) credit the amount in (a) above and debit any amount in (b) above to the Participant's DRP account;

(d) determine the maximum whole number of Shares which can be acquired under these DRP Rules by dividing the amount in the Participant's DRP account by the price determined under Clause 8 of these DRP Rules and rounding down to the nearest whole Share;

(e) issue or cause the transfer of that number of Shares to the Participant and debit the subscription amount or the acquisition amount (as the case may be) against the balance in the Participant's DRP account; and

(f) carry forward any residual cash balance to the Participant's DRP account for the next dividend. No interest will accrue or be paid in respect of residual balances in a Participant's DRP account.

7.3 On the termination of participation in the DRP by a Participant, any residual balance in the Participant's DRP account at that time will be direct credited to the Participant's nominated financial institution account or paid to the Participant in any other manner determined by the Directors. Any such payment will be made on the terms determined by the Directors.

8. Issue and Transfer Price

8.1 Each Share issued or transferred under the DRP will be issued or transferred at the Market Price of Shares less such discount (if any) as the Directors may determine from time to time and notify to NSX (rounded to the nearest cent).

8.2 For the purposes of these DRP Rules, the expression "Market Price of Shares" means the average of the daily volume weighted average market price of all Shares sold through a "Normal Trade" on the NSX automated trading venues (and/or such other trading venues as the Directors may determine from time to time) during the ten Trading Days commencing on the second Trading Day following the relevant Record Date, or such other period commencing before or after the Record Date as the Directors may determine and announce to the NSX. If, at the absolute discretion of the Directors, the "Market Price of Shares" as calculated above is not considered to represent the then fair market value of Shares, the Directors may determine the fair market value of Shares in their absolute discretion.

8.3 "Normal Trade" means all trades excluding trades such as 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. The calculation may be made by the Directors or a person nominated by the Directors, and may be determined by reference to such information as the Directors approve for the purpose from time to time, and, in the absence of manifest error, is binding on Participants.

9. Issues and Transfers Under the DRP

9.1 Shares issued under the DRP will:

- (a) be issued in accordance with Applicable Law;
- (b) rank equally with other Shares; and
- (c) be registered on a register chosen by KGI where the Participant already holds Shares.

9.2 Shares transferred under the DRP will be registered in the name of the Participant on the register where the Participant already holds Shares.

10. Participants to be bound

10.1 Participants are at all times bound by the DRP Rules.

11. Costs to Participants

11.1 No brokerage, commission, stamp duty or other transaction costs will be payable by Participants in respect of any issue or transfer of Shares under the DRP. However, KGI does not assume liability for any taxes or other imposts assessed against or imposed on a Participant.

12. Statements to Participants

12.1 After each issue or transfer of Shares under the DRP, KGI will forward to each Participant a statement setting out:

- (a) the number of DRP Shares held by the Participant excluding those Shares last issued or transferred to the Participant under the DRP;
- (b) the amount of the last dividend paid in respect of those DRP Shares;
- (c) the issue or transfer price of the last Shares issued or transferred to the Participant under the DRP;
- (d) the number of Shares issued or transferred to the Participant under the last DRP issue or transfer;
- (e) the Participant's total holding of Shares after issue or transfer; and
- (f) the residual cash balance in the Participant's DRP account (if any).

13. Variation to Participation

13.1 Subject to Clause 16.2, a Participant may, at any time, increase or decrease the number of Shares subject to the DRP by lodging a duly completed and executed DRP Notice.

14. Termination of Participation

14.1 A Participant may, at any time, terminate his/her participation in the DRP by lodging a duly completed and executed DRP Notice.

14.2 If a Participant dies, participation in the DRP by that Participant and any other Participants with whom the deceased was a joint Participant will be terminated upon receipt of notice by KGI of the death of the Participant but any such termination takes effect only with respect to the next occurring Record Date.

15. Disposals

15.1 Where all of the Participant's Shares are DRP Shares, in the event that some of those Shares (but not all of the Participant's Shares) are disposed of, the remaining Shares held by the Participant will continue to be DRP Shares.

15.2 Where some of a Participant's Shares are DRP Shares the Participant will be deemed to dispose of his/her Non-DRP Shares first.

16. Applications and Notices

16.1 Any application or notice referred to in these DRP Rules must be in such form as the Directors may from time to time require. The Directors may determine that any application or notice referred to in these DRP Rules can be lodged electronically, either through KGI's website or that of an authorised third party.

- 16.2 DRP Notices received by KGI's Share Registry (Boardroom Pty Limited) on or before 5.00pm on the first Trading Day after the Record Date for a particular dividend will be effective in respect of that dividend and all subsequent dividends.
- 16.3 Subject to Clause 16.2, applications and notices are effective on receipt at KGI's Share Registry and take effect from the next Record Date following such receipt.
- 16.4 Any notice to be given to Shareholders or Participants by KGI may be given in any manner which the Directors consider appropriate including, but not limited to, by notice on the KGI's website, by way of announcement to NSX or, at the Directors' discretion, may be given in accordance with the provisions regarding the giving of notices to Shareholders contained in the Constitution.

17. Quotation of Shares

- 17.1 KGI will apply to NSX for official quotation of any Shares issued under the DRP as soon as practicable, if other Shares are quoted at that time.

18. Amendment, Suspension, Recommencement and Termination of DRP

- 18.1 The Directors may amend, suspend, recommence or terminate the DRP at any time by giving notice in accordance with Clause 16.4.
- 18.2 Any such amendment, suspension, recommencement or termination will be effective from the date specified by the Directors in the notice.
- 18.3 In the case of an amendment, a Participant will be deemed to continue its participation in the DRP under the DRP Rules as amended unless the Participant lodges a DRP Notice with the KGI's Share Registry.
- 18.4 If the Directors terminate the DRP, any residual balance in the Participant's DRP account at that time will be direct credited to the Participant's nominated financial institution account or paid to the Participant in any other manner determined by the Directors.
- 18.5 If, following a suspension of the DRP, the Directors resolve to recommence operation of the DRP, the Directors may direct that each Shareholder who was a Participant immediately prior to suspension of the DRP be taken to continue participation in the DRP when it recommences with, subject to these DRP Rules, the same degree of participation as immediately before the suspension.

19. Equitable Claims

- 19.1 KGI, unless otherwise required by law, need not recognise a person as owner of additional Shares issued or transferred under the DRP other than the registered holder of the DRP Shares in respect of which the additional Shares are issued or transferred.