

K2 Asset Management

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K2 Asset Management Holdings Ltd (KAM) Dividend Reinvestment Plan Frequently Asked Questions (FAQs)

Q. Is participation in the Plan voluntary?

A. Yes. If you do not want to participate in the Plan you do not have to. Please ensure that your banking details are correct so that you can continue to receive your dividends in cash.

Q. Who is eligible to participate in the Plan?

A. The KAM Board will determine whether the Plan will apply to a particular dividend at the time it considers the declaration of that dividend. You may participate in the Plan if your address on the register of shareholders is in Australia or New Zealand, unless you hold your shares only on behalf of another person who resides outside Australia and New Zealand.

Q. What do I have to do to participate in the Plan?

A. To participate in the Plan you need to complete a Request for Direct Crediting of Payments and Dividend Reinvestment Form and return it to the share registry, Boardroom Pty Limited. Alternatively you can provide your banking details and make your Plan election on-line at www.investorserve.com.au. To use this facility you need to register as a user by selecting the 'register now' button and completing the steps to create an account.

Q. Can I participate in the Plan in respect of some but not all of my KAM shares?

A. Yes. You can nominate a specific number of your shares on the Request for Direct Crediting of Payments and Dividend Reinvestment Form. This is referred to as 'Partial Participation'. In this case, only part of your dividend will be reinvested in additional shares when the Plan applies to a dividend. The dividend entitlement on the balance of your shareholding that is not participating in the Plan will be paid to you by way of direct credit to your nominated bank account.

Q. When do I have to return my form if I want to apply to participate in the Plan?

A. For your election form to be effective for a dividend in respect to which the Plan applies, it must be received by the share registry (either in paper format or completed electronically) by 5.00pm Australian Eastern Time (or such other time set by the KAM Board) on the business day after the record date for determining entitlements to that dividend. If your form is received or completed electronically after this time, it will not become effective until the following dividend.

Q. Does the Plan apply in respect of every dividend?

A. No. In addition to varying, suspending or terminating the Plan, the KAM Board may at any time determine that the Plan will not apply to a particular dividend by making an announcement to the market to that effect. KAM will announce to the market whether the Plan applies in respect of a particular dividend at the same time that the dividend is announced.



Q. If I make an election of 'Full Participation' do shares acquired in the Plan participate in the Plan in respect of subsequent dividends?

A. Yes. If you elect 'Full Participation', shares issued or transferred to you under the Plan will be able to participate in the Plan in respect of subsequent dividends to which the Plan applies.

Q. Am I able to make changes to my participation?

A. Yes. You can make changes at any time by notifying the share registry using the Request for Direct Crediting of Payments and Dividend Reinvestment Form. For the change to be effective in respect of an upcoming dividend payment your form must be received by the share registry (either in paper format or completed electronically) by 5.00pm Australian Eastern Time (or such other time set by the KAM Board) on the business day after the record date for the relevant dividend.

Q. What do I need to do if I have a number of shareholdings in KAM?

A. You must complete and lodge a separate Request for Direct Crediting of Payments and Dividend Reinvestment Form for each of your shareholdings registered in different names or with a different Shareholder Reference Number (SRN) or Holder Identification Number (HIN).

Q. Do I have to pay to participate in the Plan?

A. No. You do not have to pay any brokerage, commission or other administration cost on shares transferred or issued under the Plan.

Q. At what price will shares be issued or transferred to me under the Plan?

A. Shares will be issued or transferred to you under the Plan at the Market Price of Shares (which is defined in the Plan Rules). The Market Price of Shares may be reduced by a discount, which the KAM Board may determine from time to time and announce to the market. Since the period for determining the Market Price of Shares will usually commence after the deadline for the receipt of your Plan election, this price will usually not be known at the time by which you will need to decide whether you will be participating in the Plan for the dividend in question.

Q. Does participating in the Plan restrict me from selling my shares?

A. No. Participating in the Plan does not restrict your ability to sell your KAM shares.

Q. What happens if I am participating in the Plan and sell some or all of my shares?

A. Where you have elected 'Full Participation' and then dispose of some of your KAM shares, dividends on all of your remaining participating KAM shares will continue to be reinvested under the Plan for each dividend in respect to which the Plan applies. Where you have elected 'Partial Participation' and you dispose of some of your KAM shares, then unless you have given sufficient notice beforehand, the shares disposed of will be treated to the extent possible as coming from your shares that do not participate in the Plan and the balance, if any, will be treated as coming from your shares that do participate. In each case, if you later acquire more KAM shares, these will participate in the Plan to the extent indicated in your last Request for Direct Crediting of Payments and Dividend Reinvestment Form. If you have ceased to hold any KAM shares by the time of a dividend record date, you are deemed to have terminated your participation in the Plan at that record date.

Q. When will I receive details of shares issued or transferred to me under the Plan?

A. Following each dividend payment in respect to which the Plan applies you will be sent a Plan statement setting out information including the number of shares allocated to you under the Plan and the cash balance carried forward on any residual amount of the dividend (representing a fraction of a share after the calculation of the number of shares to be allocated to you under the Plan in relation to that dividend).



Q. If I cancel my participation in the Plan or sell my KAM shares, or if KAM terminates the Plan, what happens to any balance in my Plan account?

A. If KAM terminates the Plan, any residual balance in your Plan account will be paid to you along with your next dividend. If you cease to participate in the Plan (other than due to KAM terminating the Plan), any residual amount in your Plan account will be paid to you along with your next dividend. If you sell all of your KAM shares, any residual amount in your Plan account will be paid to your nominated bank account.

Q. Can the Plan be varied, suspended or terminated?

A. Yes. The KAM Board may vary, suspend or terminate the Plan at any time by notification to the market. The KAM Board will determine whether the Plan is to apply with respect to a dividend at the time it considers the declaration of that particular dividend. The KAM Board will announce to the market whether the Plan will apply to a dividend at the same time that the dividend is announced.

Q. What about tax implications?

A. KAM recommends that you obtain professional taxation advice about the consequences of participating in the Plan.

Q. How can I get more information?

A. The Plan is available for your review on our website www.k2am.com.au/shareholders. You should consult your stockbroker or licensed financial adviser if you have any questions about the terms and conditions of the Plan.