

Flagship Investments Limited

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23 November 2016

The Manager  
Company Announcements Office  
ASX Ltd  
Exchange Centre  
Level 6, 20 Bridge Street  
**SYDNEY NSW 2000**

Dear Sir

### **Amendment to Dividend Reinvestment Plan Rules**

In accordance with Listing Rule 3.10.8, Flagship Investments Limited (ASX:FSI) advises that its Board has amended the rules of the Flagship Investments Limited Dividend Reinvestment Plan (**DRP**), effective 23 November 2016.

The amendments to the DRP are designed to reflect current market practice and other administrative updates.

Please contact the Company Secretary on (02) 8815 5400, if you have any questions on the DRP.

Yours sincerely

**FLAGSHIP INVESTMENTS LIMITED**



**Brian Jones**  
Company Secretary



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## **DIVIDEND REINVESTMENT PLAN INFORMATION BOOKLET**

This booklet explains the Flagship Investments Limited (or "Company") Dividend Reinvestment Plan ("Dividend Plan").

The Dividend Plan offers you the alternative of receiving additional Flagship Investments Limited shares, instead of cash dividends in respect of part, or all, of your shareholding.

Shares are allotted to you under the Dividend Plan at a price determined by the Directors.

You may elect to receive the returns on your Flagship Investments Limited investment by:

- (i) payment by cheque; or
- (ii) direct credit to an Australian Financial Institution; or
- (iii) shares issued under the Dividend Plan; or
- (iv) a combination of payment by cheque or direct credit with shares issued under the Dividend Plan.

We strongly suggest that you read this booklet carefully before deciding which of the alternatives, or which combination, is most suitable to your circumstances.

If you are unclear about the taxation implications for yourself, we recommend that you consult your own accountant or financial adviser.

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## SUMMARY OF THE DIVIDEND REINVESTMENT PLAN

Flagship Investments Limited's Dividend Reinvestment Plan ('Plan') is a convenient way of increasing your holding in the Company by reinvesting your dividends in additional shares.

### HIGHLIGHTS OF THE PLAN

- ◆ Fully Paid ordinary shares are eligible to participate in the Plan.
- ◆ Participating in the Plan is optional. Shareholders may join or leave the Plan at any time.
- ◆ On each dividend payment date, the dividend is automatically reinvested in either, or a combination of, new or existing shares, in the absolute discretion of the Directors. To the extent available, the Directors will satisfy the Company's obligations under the Plan by causing the acquisition and transfer of shares that are trading on-market at a discount.
- ◆ The new shares are issued under the plan at the last declared NTA per share, or such other price determined by the Directors.
- ◆ The new shares are allotted free of brokerage, commission and stamp duty costs. The price of shares transferred under the Plan will include brokerage, commission, stamp duty and any other applicable transaction cost. The Company pays the administrative costs of the Plan.
- ◆ Shares allotted under the Plan will be ordinary shares and will rank equally in all respects with existing shares.
- ◆ The shares allotted can be sold at any time.
- ◆ Shareholders can elect to participate in respect of all of their shareholding or for only part of their holding. For partial participation, the number of shares nominated will participate in the Plan and the balance of the dividend will be paid in the normal way.
- ◆ A Plan statement providing details of participation will be sent to the Shareholder after each dividend payment.
- ◆ The Plan may be suspended, modified or terminated by the Directors at any time by giving participants notice in accordance with the Rules of the Plan.

### OPERATION OF THE FLAGSHIP INVESTMENTS LIMITED DIVIDEND REINVESTMENT PLAN

The Flagship Investments Limited Dividend Reinvestment Plan provides Shareholders with a choice of how to receive dividends paid on their shares.

The general details of the Plan, and the terms and conditions governing how the Plan will operate, are as follows:

#### Eligibility to Participate

All Shareholders in the Company who are approved by the Directors from time to time are eligible to participate in the Plan.

## Participating in the Plan

Participating in the Plan is entirely at a Shareholder's option.

Before deciding on whether to participate in the Plan, Shareholders should consider the Company's latest financial statements and, if necessary, consult their financial adviser.

## Shareholders' Choices Under the Plan

Shareholders have the choice of:

- ◆ *Full participation* - the dividend on all fully paid shares or contributing shares held by the Shareholder is reinvested; or
- ◆ *Partial participation* - the dividend on a specified number of shares (participating shares) is reinvested. The dividend on the remaining (non-participating) shares will be paid as a cash dividend to the Shareholder.

## How Shareholders Can Participate in the Plan

The Application Form included with the Rules of the Plan must be completed and lodged with the Company if a Shareholder wishes to participate in the Plan.

Shareholders who do not wish to participate in the Plan are not required to return the Application Form. Cash dividends will automatically be credited to these Shareholders' nominated account, or paid by cheque.

## Withdrawal from the Plan and Varying Participation in the Plan

Shareholders may withdraw from the Plan or vary their level of participation in the Plan at any time by the delivery of a variation notice, or by advising the Company's Share Registrar in writing. This notice will be effective for the next dividend payment, subject to the notice being received before the next Record Date. A notice of variation is included with the Rules of the Plan.

## Ranking for Dividend

Shares issued under the Plan will be ordinary shares, will rank equally in every respect with existing issued fully paid permanent shares and will be eligible to participate in all cash dividends paid after the date of issue.

## Allocation and Price of Shares

The number of Shares required to satisfy the Company's obligations under the Plan in respect of a dividend will be calculated, and to the extent available, the Company will cause the acquisition of shares that are trading on-market below the last declared NTA per share during the 20 trading day period starting on the date that is the business day after the record date or such other date as determined by the Directors and notified to Shareholders by announcement to the ASX.

New Shares issued under the Plan will be issued at the last declared NTA per Share or such other price determined by the Directors from time to time in their absolute discretion.

Shares will be issued credited as fully paid. The Company will determine the maximum whole number of shares which can be acquired at the issue price by applying the credit balance amount in a participating Shareholder's Plan account, and where the number of shares ascertained results in a fraction the number shall be rounded up to the nearest whole number.

## **Cost of Participating in the Plan**

There is no cost to Shareholders to participate in the Plan. The Company will meet the administrative costs of the Plan.

## **Sales of Shares**

Shares allotted under the Plan may be sold or transferred at any time.

Shares participating in the Plan which are sold or transferred will be withdrawn from the Plan automatically.

Any subsequent purchaser of shares in the Company is entitled to participate in the Plan by completing and returning an Application Form.

## **Acquisition of Shares**

Any additional shares acquired by Shareholders already participating in the Plan will participate in the Plan as follows:

- ◆ if a Shareholder has elected for 'full' participation, all subsequent acquisitions of shares (including bonus issues and shares issued in relation to shares participating in the Plan) will participate in the Plan; and
- ◆ if a Shareholder has elected for 'partial' participation only the number of shares specified by the participating Shareholder will be participating shares, irrespective of subsequent acquisitions by the Shareholder.

Cash dividends will be paid in respect of all other acquisitions. Another Application Form or advice in writing must be provided to the Company before any other shares acquired by a Shareholder can participate in the Plan.

## **Taxation Considerations**

Under current Australian income tax legislation, it is the Company's understanding that dividends reinvested will be treated in the same manner as if Shareholders had received those dividends in cash, with credits available only in respect of franked amounts (if any). The Plan Statement, which is issued following the payment of each dividend, will show the amount of the dividend, and any credit. Plan Statements should be retained by Shareholders as a record.

If a Shareholder intends to participate in the Plan and has not lodged their Tax File Number (T.F.N.) with the Company, in the event that an unfranked dividend is paid by the Company, Australian income tax will be deducted from the dividend on the Shareholder's participating shares, before the Shareholder's entitlement to new shares is calculated.

The Company cannot take any responsibility for the taxation liabilities of participants and it is suggested that participating Shareholders obtain independent advice concerning their taxation position if they have any queries.

## **Shareholders Who Have More Than One Shareholding Account**

If a Shareholder's total shareholding in the Company is held in two or more separate shareholding accounts, then it will be necessary for that Shareholder to deliver a separate Plan Application Form or notice of variation or termination for each of the shareholding accounts nominated for participation in the Plan. Each Application Form or notification of variation or termination will need to correctly identify the shareholding account to which the Application Form or notice relates.

# RULES OF THE FLAGSHIP INVESTMENTS LIMITED

## DIVIDEND REINVESTMENT PLAN

### 1. PARTICIPATION IN THE PLAN

- 1.1 Participation in the Flagship Investments Limited Dividend Reinvestment Plan is subject to the following terms and conditions.
- 1.2 Participation in the Plan is optional and is not transferable.
- 1.3 The Plan is open to Shareholders holding fully paid ordinary shares in the Company.
- 1.4 The Directors may refuse to accept shares for participation in the Plan or suspend or withdraw shares from the Plan if, regardless of whether the Shareholder has been provided with an Application Form, the participation of those shares might:
- (a) prejudice the effective operation of the Plan; or
  - (b) give rise to breaches of applicable laws by the Company or its officers or by the Participant or their associates.
- 1.5 It is the responsibility of each Shareholder to obtain any necessary approvals to enable that Shareholder to participate in the Plan.
- 1.6 The Directors are entitled (but not obliged) to refuse a Shareholder participation in the Plan where that Shareholder has, in the opinion of the Directors, split a shareholding, or acquired shares as part of such a split, in order to increase the number of shares that may be allotted under the Plan to that Shareholder or another person.

### 2. DEFINITIONS AND INTERPRETATIONS

- 2.1 The following terms will, except to the extent that the context otherwise requires, have the following meanings:
- ◆ **'Application Form'** means a notice in such form as the Directors of the Company may determine by which a Shareholder makes an election to the extent of that Shareholder's participation in the Plan;
  - ◆ **'Company'** means Flagship Investments Limited;
  - ◆ **'Constitution'** means the constitution of the Company;
  - ◆ **'Directors'** means the directors the Company from time to time, acting as a Board;
  - ◆ **'Issue Price'** means the price at which new Shares will be issued in accordance with the formula set out in clause 7.8;
  - ◆ **'Net Asset Value'** means the net assets of the Company adjusted for all tax provisions divided by the number of shares on issue.
  - ◆ **'Participant'** means a Shareholder whose application to participate in the Plan in accordance with the terms and conditions of the Plan has been accepted by the Company;
  - ◆ **'Plan'** means the Flagship Investments Limited Dividend Reinvestment Plan;
  - ◆ **'Plan Account'** means the Plan account established by the Company and maintained by the Share Registrar for each Participant in accordance with these terms and conditions;

- ◆ **'Plan Statement'** means a Plan statement which complies with clause 12;
- ◆ **'Record Date'** means the date on which the Company closes its Share Register for the purposes of determining entitlements to the payment of a dividend;
- ◆ **'Registered Address'** means the address of a Shareholder as shown in the Share Register;
- ◆ **'Rules of the Plan'** means the terms and conditions of the Plan as varied from time to time;
- ◆ **'Share'** means a fully paid ordinary share in the Company;
- ◆ **'Share Register'** means the register of all Shareholders maintained by the Share Registrar;
- ◆ **'Share Registrar'** means : Boardroom Pty Limited, GPO Box 3993, SYDNEY NSW 2001 or such other share registrar appointed by the Company;
- ◆ **'Shareholder'** means the holder of ordinary shares in the Company; and
- ◆ **'Flagship Investments Limited'** means Flagship Investments Limited, ABN 99 080 135 913. (Formerly Hyperion Flagship Investments Limited and Wilson Investments Taurine Fund Limited).

2.2 Words importing the singular include the plural and vice versa, words importing any gender include other genders and 'person' includes a corporation.

2.3 Headings are for convenience only and do not affect the interpretation.

### 3. PERIOD OF OPERATION

The Plan will operate from the day of its establishment by the Company. The Plan is intended to be continued so that a Shareholder who elects to participate in the Plan will, as the Plan is constituted, continue to participate unless a notice to vary or terminate that participation is given to the Company by that Shareholder.

### 4. APPLICATION TO PARTICIPATE

4.1 A Shareholder may apply to the Company to participate in the Plan by completing and signing an Application Form and returning it to the Share Registrar.

4.2 Where a Shareholder has more than one allocated shareholding on the Share Register, the Shareholder must complete and sign an Application Form for each separate shareholding.

4.3 This Plan is only open to Shareholders of the Company.

### 5. APPLICATION FORM

5.1 Subject to clause 5.2(a), an Application Form is not valid unless it:

- (a) is given in such form as is approved by the Directors from time to time;
- (b) contains sufficient details to enable the particular allocated shareholding to which the Application Form relates to be clearly identified;
- (c) complies with, and contains all the particulars required by, the form of Application Form; and
- (d) is signed by or on behalf of the relevant Shareholder in such manner as the Application Form may specify.

- 5.2 The Company has an absolute discretion:
- (a) to accept and treat as valid an Application Form which does not satisfy the provisions of clause 5.1; and
  - (b) to reject and treat as invalid an Application Form where the Directors have determined that acceptance of the Application Form would or might prejudice the effective operation of the Plan or would or might otherwise be contrary to the laws of any country.
- 5.3 The Company will be under no obligation to correct or amend defective Application Forms on behalf of Shareholders.

## **6. DEGREE OF PARTICIPATION**

- 6.1 Participation in the Plan may be full or partial.
- 6.2 In the case of full participation all shares registered in the Participant's name from time to time, including shares issued under the Plan, bonus shares, shares issued to the Participant pursuant to a rights issue and subsequent Share purchases, will be participating Shares.
- 6.3 In the case of partial participation only the number of Shares specified by the Participant in the Application Form or in any subsequent notice of variation will be participating Shares, irrespective of subsequent acquisitions by the Shareholder. Dividends on non-participating Shares will be paid to the Shareholder.
- 6.4 A Shareholder must specify on the Application Form the degree of participation by either:
- (a) placing a tick in the box marked full participation; or
  - (b) specifying the number of Shares to participate in the Plan.
- 6.5 If an Application Form received by the Share Registrar:
- (a) purports to nominate a shareholding account for both full participation and partial participation at the same time; or
  - (b) does not indicate the degree of participation,
- the relevant Shareholder shall be deemed to have elected for full participation.
- 6.6 Where the number of Shares registered in the name of a Participant at the Record Date is less than the number of Shares specified by the Participant, all those Shares registered in the name of the Participant will be subject to the Plan.
- 6.7 The Company shall not be liable to any Shareholder for any loss, damage or claim in respect of that Shareholder's participation as a result of the operation of clauses 6.5 or 6.6.
- 6.8 A Shareholder may vary or terminate an election previously made by delivering to the Company a statement or notice in writing in satisfactory form indicating the variation or termination.
- 6.9 A valid Application Form or notice of variation terminating or varying the level of participation has effect as and from the date upon which it is received by the Share Registry of the Company and will only be effective in respect of a particular dividend if received before the Record Date for the purpose of the payment of that dividend.



## 7. OPERATION OF THE PLAN

- 7.1 Subject to clauses 7.4 and 7.5, each dividend payable on a participating Share will, upon payment, forthwith be applied by the Company on the relevant Shareholder's behalf in accordance with these terms and conditions.
- 7.2 In respect of any dividend, the Directors in their absolute discretion may determine whether to do either, or a combination, of the following to satisfy the Company's obligations under these Rules:
- (a) issue new Shares and subscribe for such Shares on behalf of participating Shareholders; or
  - (b) cause the purchase and transfer of existing Shares to participating Shareholders.
- 7.3 If the Directors determine to cause the purchase of Shares and their transfer to Participants, the Shares may be acquired as the Directors consider appropriate.
- 7.4 A dividend payable in respect of a Shareholder participating in the Plan is not available for reinvestment under the Plan to the extent that the Company is entitled to, and does, retain or otherwise deal with the dividend in accordance with its Constitution or any legal requirements (including withholding tax).
- 7.5 The Plan will not operate in relation to a dividend to the extent that the allotment or transfer of Shares under the Plan would breach any applicable law, the Listing Rules or any provision of the Constitution.
- 7.6 To the extent that the Plan does not operate, the relevant dividend on the participating Shares must instead be distributed in the same way as to Shareholders not participating in the Plan.
- 7.7 By applying to participate in the Plan, a Shareholder:
- (a) acknowledges that the Company may reject any Application Form;
  - (b) acknowledges that the Company may at any time irrevocably determine that an Application Form submitted by a Shareholder is valid in accordance with the Rules of the Plan, even if the Application Form is incomplete, contains errors or is otherwise defective and authorises the Company (and its officers or agents) to correct any error in, or omission from, its Application Form;
  - (c) agrees to, and authorises, the appointment of a nominee by the Company as the Shareholder's agent to acquire Shares on-market;
  - (d) directs Flagship Investments Limited to apply the cash dividend that is available for payment in relation to the Shareholder's participating Shares (less withholding or income tax if applicable) towards the Issue Price or the purchase of Shares, as applicable;
  - (e) authorises the Company to subscribe for Shares on the Shareholder's behalf;
  - (f) agrees to be bound by the Constitution in respect of all the Shares issued to the Shareholder under the Plan; and
  - (g) acknowledges that neither the Company nor the Share Registrar has provided the Shareholder with investment advice or financial product advice concerning its decision to apply to participate in the Plan and that neither has any obligation to provide such advice.
- 7.8 Subject to the Corporations Law and the listing rules of ASX, the shares will be issued at a price to be determined by the Directors from time to time.

- 7.9 The Company will establish and the Share Registrar will maintain a Plan Account for each Participant.
- 7.10 The Company will:
- (a) determine the amount of the dividend entitlement of each Participant in respect of Shares participating in the Plan and credit that amount, or the amount of any limit placed on reinvestment by the Directors, in accordance with clause 14.1, whichever is the lesser, to the Participant's Plan Account;
  - (b) determine the Australian income tax applicable in respect of any unfranked dividend paid to a Participant who has not supplied a tax file number to the Company and debit that amount to the Participant's Plan Account;
  - (c) determine if applicable, the Australian withholding tax in respect of the dividend and debit that amount to the Participant's Plan Account;
  - (d) determine the maximum whole number of Shares which could be acquired in accordance with these Rules by applying the credit balance amount in the Participant's Plan Account, and where the number so ascertained results in a fraction the number shall be rounded up to the nearest whole number;
  - (e) on behalf of and in the name of the Participant, subscribe for or purchase the number of Shares determined under clause 7.10(d) and debit the Participant's Plan Account with the aggregate price (including the Issue Price (if any) of the allocated Shares; and
  - (f) issue to the Participant that number of Shares determined under clause 7.10(d).
- 7.11 Shares allotted under the Plan will be issued or transferred (as applicable) at the Issue Price and credited as fully paid.

## **8. SHARES ISSUED UNDER THE PLAN**

- 8.1 Shares issued under the Plan will rank equally in all respects with existing Shares.
- 8.2 Shares issued to a Participant under the Plan will be registered on the Share Register.

## **9. COST TO PARTICIPANTS**

- 9.1 Subject to sub-clause 9.2 no brokerage, commission or other transaction costs will be payable by a Participant in respect of new Shares issued under the Plan.
- 9.2 In the event of a change in the existing legislation so that at the date of any issue stamp duty is payable in respect of the issue, the amount of such stamp duty shall be paid by the Participant to whom the Shares are issued and will be debited to that Participant's Plan Account.

## **10. SUSPENSION, VARIATION OR TERMINATION OF PARTICIPATION**

A Participant may at any time give notice to the Share Registrar either:

- (a) increasing or decreasing the number of participating Shares; or
- (b) terminating participation in the Plan.

## **11. ALTERATION OR TERMINATION OF PARTICIPATION WHERE NO NOTICE IS GIVEN**

- 11.1 Where a Participant disposes of part of its holding of Shares and does not give notice to the contrary then:
- (a) if the number of Shares disposed of is less than the number of the Participant's non-participating Shares then the number of 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 the Participant's non-participating Shares, then the Shares disposed of will be deemed to be all of the non-participating Shares plus any additional number of participating Shares, as may be necessary to equal in aggregate the total number of Shares disposed of.

11.2 Where a Participant disposes of all Shares held without giving the Share Registrar notice of termination of participation in the Plan, the Participant will be deemed to have given notice of termination of participation in the Plan on the last date on which the Share Registrar registered a transfer or instrument of disposal of the Shares.

## **12. PLAN STATEMENT**

The Share Registrar when sending dividend advice will send to each Participant a Plan Statement providing, at the relevant date, full details of the Participant's Plan Account and transactions under the Plan.

## **13. APPLICATIONS AND NOTICES**

13.1 Applications and notices for the purpose of the Plan shall be in writing in the form included with the Rules of the Plan and lodged at such place as the Company and the Share Registrar may from time to time require.

13.2 Applications and notices (other than notices of death, bankruptcy or liquidation) in respect of Shares registered in joint names shall be signed by all registered holders of those Shares.

13.3 Applications and notices will take effect on and from the date on which they are received by the Share Registrar provided that:

- (a) an Application Form to participate in the Plan is not effective until it has been accepted by the Directors; and
- (b) Application Forms and other notices received by the Share Registrar after 5.00 p.m. on a Record Date for determination of entitlements to payment of a dividend will not be effective in relation to that dividend, but will be effective for subsequent dividends.

## **14. BOARD'S POWERS IN RELATION TO THE MODIFICATION OR TERMINATION OF THE PLAN**

14.1 The Directors may from time to time set a limit on the aggregate amount of dividend which may be reinvested by Shareholders under the Plan and may vary that limit.

14.2 The Directors may determine administrative procedures to be followed in respect of the implementation of the Plan and may vary those procedures.

14.3 The Directors may:

- (a) at any time modify, vary or amend the Plan (including the discount rate at which Shares are to be issued to Participants under the Plan);
- (b) suspend the operation of the Plan from time to time for any period;
- (c) by first giving 3 months' notice to Shareholders, terminate the Plan to take effect at the end of that period of 3 months.

14.4 A suspension or termination of the Plan will take effect from such date as the Directors may determine and will continue until such time as the Directors resolve either to recommence or to terminate the Plan.

If the Plan is recommenced, elections as to participation in respect of the previously suspended Plan shall be valid and have force and effect in accordance with these terms and conditions for the purposes of the recommenced Plan.

- 14.5 These terms and conditions may be varied by resolution of the Directors at any time from time to time at the Directors' absolute discretion. In the case of a variation, each existing Participant will continue under the varied Plan unless the Company is notified to the contrary by the Participant.
- 14.6 Notice of any variation, suspension or termination made by the Directors will be given by the Company to a Participant in such form and in such manner as the Directors may in their absolute discretion determine and, in particular, without limiting the generality of the foregoing, may be given by advertisement published in any newspaper circulating generally in Australia.
- 14.7 The accidental omission to give to a Shareholder notice of modification, variation, amendment, suspension or termination of the Plan, or non-receipt of such a notice by a Shareholder shall not invalidate the modification, amendment, variation, suspension or termination of the Plan.

## **15. ADMINISTRATION OF THE PLAN**

- 15.1 The Plan will be administered by the Directors who have the power to:
- (a) determine appropriate procedures for administration and implementation of the Plan consistent with the terms and conditions of the Plan and to settle any difficulty which may arise generally or in a particular case in regard to the Plan as the Directors think fit and their determination will bind all Shareholders and other person to whom the determination relates;
  - (b) resolve conclusively all questions of fact or interpretation in connection with the Plan; and
  - (c) delegate to any one or more persons, for such period and on such conditions as they may determine, the exercise of their powers or discretions arising under the Plan but not including any powers under clause 14.
- 15.2 The Company and its officers and employees will not be held responsible or liable for any error or omission which occurs in the administration of the Plan.

## **16. TAXATION**

The Company makes no representations or warranties in respect of, and accepts no responsibility for, the liability of Participants to the payment of income tax in respect of any issue of Shares, payment or other transaction pursuant to this Plan.

