



DIVIDEND REINVESTMENT PLAN EXPLANATORY BOOKLET

**PM Capital Global Opportunities Fund Limited
ACN 166 064 875**



Participation in the Dividend Reinvestment Plan (Plan) is subject to the Dividend Reinvestment Plan Rules (Plan Rules) which are available at the Company's website (www.pmcapital.com.au). These questions and answers are intended only as a summary and guide to the Plan Rules.

You should be aware that this guide has been prepared without taking account your investment objectives, financial situation or needs and does not constitute investment advice to you. We recommend that you review the Plan Rules in full and seek professional tax and financial advice before making your election.

How does the Plan work?

Under the Plan eligible shareholders can choose to reinvest dividends on all, or a specified number of their shares, to acquire further fully paid ordinary shares in the Company instead of receiving dividends in cash.

Do I have to participate?

No, participation is entirely optional. If you do not return an Election Form you will continue to receive cash dividends in the usual way.

What will it cost me to participate?

There are no fees for participation. You will not be charged brokerage, commission, transaction or stamp duty costs for any issue or transfer of shares under the Plan. Please refer to the tax summary at the back of this guide.

Who can participate?

All shareholders who are residents of Australia and New Zealand can participate in the Plan. Shareholders with a registered address outside those countries are not currently eligible to participate in the Plan given the potential complexity and additional costs involved.

Can I participate in the Plan for only a portion of my shares?

Yes, you can indicate this on the Election Form. In the case of partial participation, your participation in the Plan will depend on the specified number of your shares you have nominated to participate in the Plan. Your entitlement to cash dividend payments in respect of shares not participating in the Plan will be paid in the normal way.

If you return an Election Form and do not specify partial participation then you will be deemed to have elected full participation.

At what price will shares be issued under the Plan?

Shares will be issued at the Average Market Price, which is the arithmetic average of the daily volume weighted average prices of the Company's shares sold on ASX on each day during the 10 trading day period that commences on the second trading day after the record date for the relevant dividend (or such other period as the Board may determine in its absolute discretion), minus a discount that may be applicable from time to time. The Board has the discretion to adjust the issue price if it considers that the Average Market Price does not represent the fair market value of shares.

Is there a discount?

No. However, the Board has a discretion to implement a discount for future dividends, and if this occurs an announcement will be made to the ASX.

When will my shares be issued?

Shares will be issued on or as soon as practicable after the payment date for the relevant dividend.

How many shares will I receive?

The number of shares to be allotted will be the amount of the cash dividend payable on your participating Plan shares, divided by the issue price per share, and rounded down to the nearest whole number if a fractional share would be issued.

Example: Say you elect for 5,000 shares to participate, the dividend is \$0.05 cents per share, and the ex-dividend Average Market Price is \$1.03 per share.

The dividend you would have received on these shares is: $5,000 \times \$0.05 \text{ cents} = \250.00 .

The number of new shares to be issued is: $\$250 / \$1.03 = \mathbf{242 \text{ shares}}$ (rounded down).

Because of rounding, only \$249.26 of the \$250 dividend was used to acquire new shares. The residual balance of \$0.74 will be forgone, as described below.

(Note: these figures are *hypothetical* and do not represent actual dividends and prices)

If any withholding tax is payable in respect of the dividend or if there is any other amount the Company must retain or withhold (e.g. if you have not provided a Tax File Number), these amounts will be deducted from the dividend before making the calculation.

What happens if the number of shares to be issued is rounded down?

Where there is a residual balance following the calculation of the number of shares to be issued, the residual balance amount will be forgone by the shareholder. This is illustrated in the above example.

The amount of any residual balance will become the property of the Company, and the Company will deal with it at its discretion, which may include paying it to a charity of the Board's choice in its discretion.

Can I sell my shares when I choose?

Shares participating in the Plan or acquired under the Plan may be sold at any time.

If you have elected partial participation in the Plan with a fixed number of shares participating, the shares sold will be deducted first from your holding of shares which are not shares participating in the Plan and then from shares that are participating in the Plan.

What happens if I acquire more shares?

If you acquire more shares (including under the Plan) and you have elected for full participation, those shares will also become participating shares in the Plan.

If you have elected partial participation in the Plan with a specified number of shares participating, then any shares you acquire over and above that number (including under the Plan) will not become participating shares in the Plan.

What do I have to do to participate?

Complete the DRP Election Form and return to the following address:

Boardroom Pty Limited

By Mail: GPO Box 3993
Sydney NSW 2001 Australia

By Fax: +61 2 9279 0664

By Email: enquiries@boardroomlimited.com.au

Online: www.boardroomlimited.com.au

Joint holders: If your shares are held in joint names, all joint holders have to sign the Election Form.

Multiple holdings: If you hold shares in multiple holdings or accounts, you will need to complete an Election Form for each holding.

When will my participation begin?

Subject to eligibility, your participation will begin with the first dividend payment after receipt of your Election Form. This is subject to the form being received by the share registry no later than the next business day after the record date for that dividend (or a later date approved by the Company).

Can I terminate or change my participation?

Yes, at any time. Simply complete and return a new Election Form which is available from the share registry (contact details below). The change will be effective from the next dividend after it is received, provided the form is received by the share registry no later than the next business day after the relevant record date for that dividend (or a later date approved by the Company).

How does the Plan affect my tax position?

Please note that neither the Company nor its share registry is in a position to answer enquiries concerning the financial or taxation implications for shareholders. Such enquiries should be addressed to professional accounting or taxation advisers.

The Company does not accept any responsibility for any interpretation of, or application by, shareholders of the general information set out in this document. In particular, this information is relevant only for residents of Australia. This information should not be relied on by any investor, whether resident or non-residents of Australia.

In general for Australian resident tax payers, under current Australian tax legislation, dividends reinvested under the Plan will be assessable for income tax purposes in the same manner as cash dividends. The dividend may also be fully or partly franked under Australia's dividend imputation system. Any franking credits attached to the dividend also form part of your Australian taxable income.

For Capital Gains Tax purposes under current Australian tax legislation, shares issued or transferred under the Plan are expected to have a cost base equal to the amount of the cash dividend entitlement which is reinvested. Shareholders may be subject to tax on disposal of the shares depending on the sale proceeds and the cost base of the shares.

Can the Plan be amended?

The Plan may be amended, suspended, recommenced or terminated by the Board at any time after giving notice to ASX.

How can I get more information?

The Plan Rules are available on the Company's website (www.pmcapital.com.au). If you require any further information you may wish to contact the Company's share registry, Boardroom Pty Limited, at:

	By Mail	Boardroom Pty Limited GPO Box 3993 Sydney NSW 2001 Australia
	By Fax:	+61 2 9279 0664
	Online:	www.boardroomlimited.com.au
	By Phone:	(within Australia) 1300 737 760 (outside Australia) +61 2 9290 9600



DIVIDEND REINVESTMENT PLAN RULES

**PM Capital Global Opportunities Fund Limited
ACN 166 064 875**



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1 Background

- 1.1 The purpose of the Plan is to provide holders of Shares with the opportunity to reinvest all or part of their Dividends and to acquire additional Shares while the Company is listed on the ASX.
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2 Definitions and Interpretation

Definitions

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

Allocation means the issue of new Shares to Participants under the Plan or transfer of Shares acquired for the purposes of the Plan to Participants under the Plan, as the case may be.

Application means the application to participate, vary participation or terminate participation in the Plan in respect of a particular shareholding account, in the form that the Board approves from time to time.

ASX means ASX Limited (ACN 008 624 691) or the securities market which it operates, as the case may be.

ASX Listing Rules means the listing rules of ASX, as amended from time to time.

ASX Operating Rules means the operating rules of the financial market administered by ASX, as amended from time to time.

Average Market Price during a period means:

- (a) the arithmetic average of each of the daily volume weighted average sale prices of Shares sold on ASX for each Trading Day during that period; or
- (b) if in the opinion of the Board the amount calculated in (a) above does not represent the then fair market value of the Shares, the amount determined by the Board in its absolute discretion as the then fair market value of the Shares.

When calculating the Average Market Price, unless the Board determines otherwise, the calculation will exclude trades that are not in the ordinary course of trading (including any transaction defined in the ASX Operating Rules as "special", crossings prior to the commencement of normal trading, crossings during the closing phase and the after hours phase, exercises of options over Shares, any overnight crossings and any other trades which the Board considers may not be fairly reflective of natural supply and demand).

Board means the board of directors of the Company.

Business Day has the same meaning as in the ASX Listing Rules.

Company means PM Capital Global Opportunities Fund Limited (ACN 166 064 875).

Discount means the percentage discount (if any) determined by the Board from time to time to be applied in calculating the price at which the Shares will be issued in accordance with Rule 7.3.

Dividend means any dividend announced and payable by the Company.

Dividend Payment Date means the date on which the Company pays a dividend in respect of the Shares.

Eligible Shareholder means a person registered as the holder of at least the minimum number of Shares as specified by the Board (if any) from time to time other than a person with a registered

address in any place where, in the opinion of the Board, participation or the making of an offer or invitation to participate in the Plan would require the issue of a prospectus under foreign law or other regulatory compliance which the Board determines to be excessive or impracticable.

Participant means an Eligible Shareholder whose Application in respect of a particular shareholding account has been accepted for the purposes of the Plan.

Plan means the Company's dividend reinvestment plan, the terms of which are set out in these Rules, as varied from time to time.

Plan Shares means the Shares in a particular shareholding account which are designated by a Participant as Shares for which the dividend is to be applied in subscribing for Shares under the Plan.

Pricing Period means the period of 10 Trading Days commencing on the second Trading Day after the Record Date for the relevant Dividend, or such other period as the Board determines in its absolute discretion.

Record Date means the date that the Company determines entitlements for Dividends.

Rules means the rules of the Plan set out in this document, as varied from time to time.

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

Trading Day means a day which is a Business Day and on which Shares are not suspended from quotation or made subject to a trading halt on ASX.

Interpretation

2.2 In these Rules, unless a contrary intention appears:

- (a) the singular includes the plural and vice versa and a reference to a gender includes other genders;
- (b) a reference to a person includes a corporation, firm or body of persons recognised by law and that person's successors, assignees and legal personal representatives; and
- (c) other grammatical forms of defined terms or phrases have corresponding meanings.

3 Commencement

3.1 The Plan and these Rules commence operation on the date determined by the Board.

4 Eligibility and Applications

4.1 Any Eligible Shareholder may apply to participate in the Plan.

4.2 Participation in the Plan is optional and is not transferable.

4.3 Every Eligible Shareholder who wishes to participate in the Plan must lodge an Application with the Company. An Eligible Shareholder's participation may be varied or terminated at any time in accordance with Rule 10.1.

Joint holders

4.4 If Shares are jointly held by two or more Eligible Shareholders, all joint holders of such Shares must sign a single Application 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 Plan with respect to the Shares jointly held.

Multiple holdings

- 4.5 If an Eligible Shareholder has more than one holding of Shares, an Application may be lodged for each shareholding account, and each shareholding account of an Eligible Shareholder will be treated separately for the purposes of the Plan.

Board discretions

- 4.6 The Board may refuse, suspend or terminate participation in the Plan where an Eligible Shareholder has, in the opinion of the Board, split or manipulated a shareholding or acquired Shares in order to increase the number of Shares that may be obtained under the Plan.
- 4.7 The Board may refuse, suspend or terminate participation in the Plan for an Eligible Shareholder or for Plan Shares where the Board considers that the participation has or could lead to:
- (a) foreign persons or associates of foreign persons acquiring a substantial interest or an aggregate substantial interest in the Company for the purposes of the *Foreign Acquisitions and Takeovers Act 1975* (Cth); or
 - (b) a person acquiring a relevant interest in issued voting shares of the Company that would result in that person's or someone else's voting power contravening Chapter 6 of the *Corporations Act 2001* (Cth).
- 4.8 The Board is entitled to make a final determination as to whether any particular holder of Shares is an Eligible Shareholder within the terms of these Rules or not, 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.

5 Acceptance of Applications

- 5.1 The Board may in its absolute discretion accept or refuse any Application.
- 5.2 Each Application accepted will be effective in respect of the first Dividend payment after receipt of the Application, provided it is received no later than the next Business Day after the Record Date for that Dividend (or by such later date approved by the Company from time to time).
- 5.3 The Company will record for each Participant particulars of:
- (a) the name and address of the Participant; and
 - (b) the number of Plan Shares held by the Participant from time to time,
- and the Company's records will be conclusive evidence of the matters so recorded.

6 Degree of participation**Shareholder's election**

- 6.1 An Eligible Shareholder may elect the degree to which they wish to participate in the Plan. Participation may be:
- (a) full participation for all of the Participant's Shares from time to time, including Shares allocated under the Plan; or
 - (b) partial participation for a number of Shares held by the Participant from time to time as specified in the Application.

- 6.2 If no election is specified, an Application will be deemed to be an application for full participation in the Plan for all of the Participant's Shares.

Effect of changes in shareholding

- 6.3 Where a Participant has elected (or is deemed to have elected) full participation, all Shares held by the Participant from time to time (including those subsequently acquired under the Plan or otherwise) will be participating Plan Shares.
- 6.4 Where a Participant has elected partial participation:
- (a) for a specified number of Shares – any Shares held by the Participant over and above that number (including those acquired under the Plan) will not be participating Plan Shares. If, at any time, the Participant holds less than the specified number of Shares then all of its Shares at that time will be Plan Shares.

Board may impose limits

- 6.5 The Board may determine a maximum limit on participation either in aggregate or for each Participant, and may determine a minimum number of Shares or subscription amount which must be met before a Participant may participate in the Plan. Any such determination is a variation to the Plan that must be notified under Rule 11.1. In the absence of such a determination there is no limit on participation.

7 Reinvestment of dividends

- 7.1 Dividends on Plan Shares will be applied by the Board on the Participant's behalf in subscribing for or acquiring Shares. Any amount that the Company is owed or is entitled to withhold or retain in relation to the Dividend or the Plan Shares whether under its constitution or otherwise will not be available for subscribing for this purpose.
- 7.2 The number of Shares issued to each Participant will be:

$$N = \frac{D + R}{P}$$

where:

- N is the number of Shares issued, subject to Rule 7.4.
- D is the Dividend payable on the Participant's Plan Shares as at the Record Date for that Dividend, subject to Rule 7.1.
- R is the residual balance (if any) from a previous Dividend on the Participant's Plan Shares.
- P is the Price at which Shares are issued as determined in accordance with Rule 7.3.

Issue price

- 7.3 The price at which Shares are issued will be the Average Market Price for the Pricing Period less the Discount (if any) which the Board determines. The issue price may be rounded up, down, or to the nearest cent if the Board decides to do so, but otherwise will not be rounded.

Fractions

- 7.4 Where a fraction of a Share results from the application of the formula in Rule 7.2, that fraction will be rounded down to the nearest whole number and the remaining Dividend not applied will be forgone by the Participant and dealt with by the Company at the Board's absolute discretion.

Plan statements

- 7.5 The Company will send to each Participant a combined dividend statement and holding statement following the Allocation of Shares under the Plan setting out the following information:
- (a) the Dividend payable in respect of that Participant's Plan Shares which has been applied towards the issue or acquisition of Shares;
 - (b) customary information regarding franking and imputation credits (if any) attached to the Dividend;
 - (c) the number of additional Shares allocated to that Participant under the Plan;
 - (d) the price at which the Shares were issued or acquired; and
 - (e) the number of Shares (including Plan Shares) of which that Participant is the registered holder after the Allocation.
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8 Shares Allocated under the Plan**Issue or transfer**

- 8.1 In the operation of the Plan for any Dividend, the Company may, in the Board's absolute discretion, either issue new Shares or cause existing Shares to be acquired for transfer to Participants, or a combination of both alternatives, to satisfy the Company's obligations under these Rules.
- 8.2 Shares to be Allocated under the Plan will be Allocated on or as soon as practicable after the Dividend Payment Date.

Rights attaching to Shares

- 8.3 All Shares allocated under the Plan will from the date of the Allocation rank equally in all respects with existing Shares.
- 8.4 If the Shares are quoted on ASX, the Company will promptly make an application on or after the Allocation of newly issued Shares under the Plan for the quotation of those Shares on ASX.
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9 Underwriting

- 9.1 The Company may cause an issue of Shares under the Plan to be underwritten, wholly or partially, in respect of any one or more Dividends on terms and conditions (including as to fees) determined by the Board in its absolute discretion.
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10 Variation or termination of participation**By Participants**

- 10.1 A Participant may increase or decrease the number of its Plan Shares, or commence or terminate participation in the Plan, by lodging an Application or other notice in the form required by the Company. To be effective for a forthcoming Dividend, an Application, variation notice or termination notice must be received by the Company no later than the next Business Day after the Record Date for that Dividend (or by such later date approved by the Company from time to time).

By sale of Plan Shares

- 10.2 If a Participant disposes of all its Plan Shares, it will be deemed to have terminated participation in the Plan. If the same person becomes an Eligible Shareholder again after that termination it will have to re-apply under Rule 4 in order to participate in the Plan.

- 10.3 If a Participant which has elected partial participation for a specified number of Shares disposes of part of its holding of Shares, and does not notify the Company otherwise, the Shares which were disposed of are deemed to be Shares not participating in the Plan. If the number of Shares disposed of is more than the number of the Participant's Shares not participating in the Plan, the disposal will include all the Participant's holding of Shares not participating in the Plan, and the balance (if any) will be attributed to Plan Shares.

Death, bankruptcy, etc

- 10.4 If a Participant dies, participation in the Plan terminates upon receipt by the Company of written notice of the death. If a Participant is declared bankrupt or is wound-up, participation in the Plan terminates upon receipt by the Company 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 does not automatically terminate participation if the remaining holder or all remaining joint holders are Eligible Shareholders.

Residual balances on termination

- 10.5 If a Participant terminates (or is deemed to have terminated) its participation in the Plan, the amount of any residual balance held on the Participant's behalf by the Company will become the property of the Company. The Company may accumulate these residual balances until such time as it considers it appropriate to pay them to a charity chosen by the Board. It is in the Company's sole discretion as to the use of the residual balances.

11 Variation, suspension and termination of the Plan**Board powers**

- 11.1 The Plan may be varied, suspended, recommenced or terminated by the Board at any time after giving notice to ASX, with effect on the date specified by the Board.
- 11.2 The variation, suspension, recommencement or termination does not give rise to any liability on the part of, or right of action against, the Board or the Company or any of its officers, employees or agents.
- 11.3 The accidental omission to give notice of the variation, suspension, recommencement or termination will not make it invalid.

Effect on Participants

- 11.4 If the Plan or these Rules are varied, a Participant continues to participate under the Plan and these Rules in their varied form unless the Participant terminates its participation in the Plan in accordance with these Rules.
- 11.5 If the Plan is suspended and is later recommenced, then upon recommencement all prior elections are reinstated subject to any variation or termination validly given by a Participant no later than the next Business Day after the next Record Date after the recommencement of the Plan (or by such later date approved by the Company from time to time).

Residual balances

- 11.6 If the Plan is suspended or terminated, the amount of any residual balance held on a Participant's behalf by the Company will become the property of the Company unless the Board determines otherwise. The Company may accumulate these residual balances until such time as it considers it appropriate to pay them to a charity chosen by the Board.

12 Administration of the Plan

12.1 The Plan will be administered by the Board which has the power to:

- (a) determine procedures for administration of the Plan consistent with the Rules;
 - (b) settle in such manner as it considers expedient any difficulties, anomalies or disputes which may arise in connection with, or by reason of, the operation of the Plan, whether generally or in relation to any Participant or any Shares, and the determination of the Board is conclusive and binding on all Participants and other persons to whom the determination relates; and
 - (c) delegate to any one or more persons, including the Company's share registry, for such period and on such conditions as it may determine, the exercise of any of its powers or discretions arising under the Plan.
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13 Plan Rules are binding on Participants

13.1 Participants are bound by the Rules of the Plan as modified from time to time.

14 Costs to Participants

14.1 To the extent permitted by law, the Company will pay brokerage, commission or other transaction costs in respect of Shares Allocated under the Plan including any stamp or other duties payable by a Participant in respect of Shares Allocated under the Plan.

15 Notices

15.1 A notice under these Rules is validly given if handed to the addressee or posted by ordinary post and addressed to the addressee at its last known residential or registered address, or sent by facsimile or e-mail to a number or address notified by the addressee, or otherwise sent in accordance with the Company's constitution.

16 Governing law

16.1 The Plan and contracts arising under the Plan are governed by the laws of New South Wales and each Participant submits to the non-exclusive jurisdiction of the Courts of that State.