



Wellington

**DISTRIBUTION REINVESTMENT PLAN**  
**PREMIUM INCOME FUND**

## **HIGHLIGHTS OF THE PLAN**

The Premium Income Fund ('Fund') Distribution Reinvestment Plan ('Plan') is an easy and convenient way for Unitholders to increase their holding in the Fund by reinvesting all or some of their distribution in additional Units.

### **Issue price**

Units issued under the Plan will be at the greater of an amount equal to:

- (a) up to a 5% discount to the 10 day VWAP of the Units during ten consecutive Business Days up to but not including the relevant date; or
- (b) the Net Asset Value per Unit.

### **Units rank equally**

Units issued under the Plan rank equally with existing Units at the time of issue.

### **Optional participation – may be varied from time to time**

Participation in the Plan is optional. If a Unitholder does not participate in the Plan, distributions will be paid in the usual manner. Unitholders may elect to join, vary their participation or withdraw from the Plan at any time.

### **Reinvestment of distributions at the election of the Responsible Entity**

Reinvestment of distributions will occur in a Quarter at the election of the Responsible Entity by notice in writing to the Unitholders until a Unitholder varies or terminates its participation.

# DISTRIBUTION REINVESTMENT PLAN RULES

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## 1. DEFINITIONS AND INTERPRETATION

1.1 In these Rules, unless the context otherwise requires:

**‘Business Day’** means a day that is not a Saturday, Sunday or a public holiday in Queensland;

**‘Constitution’** means the constitution of the Fund, as amended from time to time;

**‘Directors’** means the directors for the time being of the Responsible Entity;

**‘Distributions’** means distributions of income or capital from the Fund, whether interim or final, payable to a Unitholder in respect of Units;

**‘Distribution Record Date’** means the date and time, as determined by the Directors, at which a person holds or is taken to hold Units for the purpose of determining the entitlement to Distributions.

**‘Eligible Unitholder’** has the meaning given in rule 3.3;

**‘Fund’** means the unit trust known as Premium Income Fund ARSN 090 687 577 established pursuant to the Constitution;

**‘Liabilities’** means all present liabilities of the Fund including any provision which Wellington FM and the Company decide should be taken into account in determining the liabilities of the Fund;

**‘Minimum Participating Holding’** means a Unit holding of the minimum number as specified by the Responsible Entity from time to time;

**‘Net Asset Value’** means an amount equal to the value of the total funds under management as determined with reference to the most recent audited accounts divided by the total number of units on issue at the time;

**‘Notice of Election’** means a written notice, signed by a Unitholder, to apply for participation in the Plan, in a form approved by the Responsible Entity from time to time,

**‘Participant’** means a Unitholder participating in the Plan for the time being;

**‘Participating Units’** means those Units in respect of which a Unitholder is participating in the Plan;

**‘Plan’** means the Premium Income Fund Distribution Reinvestment Plan to which these Rules apply, as varied from time to time;

**‘Price Determination Date’** means 31 March, 30 June, 30 September and 31 December of each year;

**‘Quarter’** means the period ending 31 March, 30 June, 30 September and 31 December except where the dates stipulated in this definition fall on a day which is not a Business Day, the date will be the next Business Day;

**‘Responsible Entity’** means the responsible entity for the time being of the Fund;

**‘Rules’** means these rules as varied from time to time;

**‘Tax’** includes without limitation all kinds of taxes, duties, levies, imposts, deductions and charges imposed by a government or governmental body, department, agency or instrumentality together with interest, fines and penalties;

**‘Unit’** means a unit in the Fund;

**‘Unitholder’** means the person registered as the holder of a Unit (including persons jointly registered);

**‘Unitholder Registry’** means the place where the register of Unitholders is kept for the time being;

**‘Variation/Termination Notice’** means the written notice used to vary or terminate a Unitholder's participation in the Plan, in a form approved by the Responsible Entity from time to time;

**‘VWAP’** on any date means the arithmetic average of the daily volume weighted average sale price of the Units sold on NSX.

- 1.2 For the purposes of this Plan, any act (including, without limitation, the exercise of any power or discretion, the making of any decision or determination or the giving of any consent or approval) which is authorised by a resolution of the Directors deemed to have been passed in accordance with the Constitution, will be deemed to be an act of the Directors and the resolutions so passed will be deemed to be a resolution of the Directors passed when the last of such resolutions is passed

## **2. THE PLAN GENERALLY**

- 2.1 Eligible Unitholders who elect to participate in the Plan will be issued additional Units in substitution for Distributions payable in respect of Participating Units.
- 2.2 Participation may be either full or partial.
- 2.3 Under full participation, the Plan will apply to all Units held by the Unitholder from time to time and to all Distributions payable in respect of those Units.
- 2.4 Under partial participation (and subject to the Minimum Participation Holding), the Plan will apply to:
- (a) the number of Units nominated by the Participant in the Notice of Election or Variation/Termination Notice;
  - (b) all Units issued to the Participant under the Plan; and
  - (c) all Distributions payable in respect of those Units.

## **3. ELIGIBILITY TO PARTICIPATE**

- 3.1 Participation is subject to these Rules.
- 3.2 Participation in the Plan by Eligible Unitholders:
- (a) is optional and voluntary;
  - (b) is not transferable; and
  - (c) may be varied or terminated at any time in accordance with Rules 14 and 15.
- 3.3 Subject to Rule 3.4, an Eligible Unitholder is a person whose address, at the relevant Distribution Record Date, was recorded in the Unitholder Registry as being in Australia.
- 3.4 The Directors are entitled to make a final determination as to whether or not any particular Unitholder is an Eligible Unitholder within the terms of these Rules and to change any such determination, as and when they see fit. In making this determination, the Directors may consider,

among other things, whether 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.

#### **4. APPLICATION TO PARTICIPATE**

- 4.1 An application to participate in the Plan must be made on a Notice of Election.
- 4.2 The Notice of Election must indicate whether participation is full or partial. If an election is:
  - (a) partial, the Unitholder must nominate the number of Participating Units to be subject to the Plan; and
  - (b) full, all new Units acquired by the Participant from time to time will be deemed to be Participating Units, unless the Participant elects otherwise.
- 4.3 Applications which:
  - (a) do not indicate the degree of participation selected will be deemed to be applications for full participation; and
  - (b) nominate a number of Units equal to or greater than the number held by the applicant will be deemed to be an application for full participation.
- 4.4 Subject to Rule 3.3, each duly completed and signed Notice of Election is deemed to have been accepted upon receipt by the Responsible Entity ('Receipt Date'). An Eligible Unitholder's participation in the Plan commences from the next Price Determination Date after the Receipt Date, other than a Distribution which is due for payment less than 10 Business Days after the Receipt Date.
- 4.5 Each Unitholder is responsible for obtaining any government or regulatory approval or consent necessary for that Unitholder to be eligible to participate in the Plan.

#### **5. MINIMUM PARTICIPATING HOLDING**

- 5.1 The Directors may, by notice to the Unitholders, set a limit on the number of Participating Units per Participant from time to time.
- 5.2 Where a Notice of Election has specified a number of Participating Units less than a prevailing Minimum Participating Holding (including an election of full participation where the number of Participating Units would otherwise be less than that limit), then for so long as that limit applies:
  - (a) the number of Participating Units for that Participant for the purposes of these Rules is deemed to be zero; and
  - (b) any Units specified in the Notice of Election as Participating Units less than that limit (including an election of full Participation where the number of Participating Units would otherwise be less than that limit) are deemed not to be Participating Units, and any Distribution payable in respect of them will be paid by the Responsible Entity in accordance with its usual arrangements for the payment of Distributions.

#### **6. ISSUE OF UNITS UNDER THE PLAN**

- 6.1 Each Distribution which is payable in respect of Participating Units (less any deductions from Distributions made in accordance with Rule 6.5) is applied on the due date of payment of the Distribution to subscribe for the maximum whole number of additional Units that may be acquired at an issue price determined in accordance with this Rule 6 and Rule 8.1.
- 6.2 The price of the Units to be issued under the Plan in respect of Distributions which are payable, is an amount equal to the greater of an amount equal to:

- (a) up to a 5% discount to the 10 day VWAP of the Units during ten consecutive Business Days up to but not including the relevant date; or
  - (b) the Net Asset Value per Unit.
- 6.3 The Responsible Entity may increase or decrease the price of each Unit issued pursuant to the Plan and in accordance with the Constitution at its discretion.
- 6.4 The price of Units issued under the Plan may be rounded up or down to the nearest whole cent, as the Responsible Entity may decide.
- 6.5 The Responsible Entity will determine:
  - (a) a Participant's entitlements to Distributions in respect of their Participating Units;
  - (b) any Tax or other amount which is to be withheld, deducted or retained from the Distributions;
  - (c) the number of Units to be issued to Participants under the Plan priced in accordance with Rule 6.1; and
  - (d) any balance of the Distributions remaining.

## **7. BALANCES**

- 7.1 Subject to Rule 7.3, where:
  - (a) there is an amount of Distribution payable in respect of Participating Units which is not applied to subscribe for additional Units (Shortfall); and
  - (b) the Shortfall is not enough to cover the price of one Unit,
 the Shortfall will be accumulated on behalf of the Participant and added to the next Distributions payable to the Participant which are to be applied to subscribe for additional Units under the Plan.
- 7.2 Distributions which are accumulated and carried forward in accordance with Rule 7.1 will bear no interest nor carry an entitlement to be paid in cash.
- 7.3 If a Participant ceases to be a Unitholder, any Distribution which has been accumulated and carried forward pursuant to Rule 7.1 as at the date the Participant ceases to be a Unitholder will, unless the Directors determine otherwise, be paid to a charity designated by the Directors.

## **8. ISSUE OF UNITS**

- 8.1 Units to be issued under the Plan must be issued within 30 days of the date of a relevant Distribution.
- 8.2 Subject to the Constitution, Units issued under the Plan rank equally in all respects with the existing issued Units and will participate in all Distributions subsequently declared or paid.
- 8.3 Units issued under the Plan will be registered on the Unitholder Registry.
- 8.4 Participants agree to be bound by the Constitution in respect of the Units issued to them under the Plan.

## **9. STATEMENTS**

- 9.1 On, or as soon as practicable after the issue of Units under the Plan, the Responsible Entity must forward to each Participant a statement detailing:
  - (a) the number of the Participant's Participating Units as at the date of issue and the price of those Units;

- (b) the Distribution payable to the Participant which was applied to subscribe for the Units so issued;
- (c) the number of Units:
  - (i) held by the Participant on the Distribution Record Date; and
  - (ii) issued to the Participant in respect of the Distribution;
- (d) the cash balance to be (if any) retained in the Participant's account after deduction of the amount payable on allocation of the additional Units;
- (e) the amount of any franking or imputation credit attaching to the Distribution;
- (f) any Tax or other amount which has been withheld, deducted or retained from the Distribution; and
- (g) such other information as the Responsible Entity may determine from time to time.

## **10. VARIATION OF PARTICIPATION**

- 10.1 Any Participant may at any time vary the number of Units held by the Participant that are to be subject to the Plan.
- 10.2 Variations to participation in the Plan must be made on the Variation/Termination Notice, completed and signed by the Participant and given to the Responsible Entity.
- 10.3 A variation will be effective in respect of all Distributions payable after receipt of the duly completed and signed Variation/Termination Notice provided that any Variation/Termination Notice received by the Responsible Entity less than 10 Business Days before the due date for payment of a Distribution will not be effective in respect of that Distribution.

## **11. TERMINATION OF PARTICIPATION**

- 11.1 Any Participant may at any time terminate participation in the Plan.
- 11.2 Termination of participation in the Plan must be made on the Variation/Termination Form approved by the Responsible Entity from time to time, completed and signed by the Participant and given to the Responsible Entity.
- 11.3 If a Participant dies:
  - (a) participation by that Participant will be terminated upon receipt by the Responsible Entity of notice of the death of the deceased Participant; and
  - (b) at the time of the Participant's death it held any Participating Units jointly with any other person, that person's participation in the Plan will also be terminated on receipt of the death notice but only to the extent of those jointly held Participating Units.
- 11.4 Termination will be effective in respect of all Distributions payable after receipt of the duly completed and signed Variation/Termination Form or death notice (as the case may be) provided that any Variation/Termination Form or death notice (as the case may be) received by the Responsible Entity less than 10 Business Days before the due date for payment of a Distribution will not be effective in respect of that Distribution.
- 11.5 For the avoidance of doubt, a Unit which ceases to be subject to the Plan is not precluded from subsequently becoming a Participating Unit.

## **12. TRANSFERS OF PARTICIPATING UNITS**

- 12.1 Subject to Rule 12.2, whenever any Units held by a Participant are transferred, those Units will be taken to comprise:

- (a) first, Units not participating in the Plan; and
  - (b) secondly, Units participating in the Plan.
- 12.2 A Participant may at any time vary the order of transfer of Units by notice in writing to the Responsible Entity.
- 12.3 The variation will be effective in respect of all transfers of Units to be registered after receipt of the written notice.
- 12.4 Upon the registration of a transfer of any Participating Unit, the Unit will cease to be a Participating Unit for the purposes of these Rules and will cease to be subject to the Plan.

### **13. NOTICES**

- 13.1 Any notice, form or other document to be given to a Unitholder under these Rules may be given in the same manner that notices may be given to Unitholders under the Constitution.
- 13.2 Any notice, form or other document to be given by a Unitholder to the Responsible Entity under these Rules is not valid until it is received by the Responsible Entity at the Unitholder Registry for the time being or such other place as the Responsible Entity may nominate from time to time for the service of notices under these Rules.

### **14. AMENDMENTS**

- 14.1 The Responsible Entity may from time to time amend these Rules by notice in writing to the Unitholders.
- 14.2 Any amendment to these Rules will take effect from the date of the notice or such other date as the Directors may determine.
- 14.3 For the avoidance of doubt, Participants will continue to participate in the Plan as it is amended from time to time, subject to them varying or terminating their participation in accordance with these Rules.

### **15. SUSPENSION AND TERMINATION OF THE PLAN OR THESE RULES**

- 15.1 The Plan or these Rules may be suspended or terminated by the Responsible Entity at any time by written notification to Unitholders.
- 15.2 The suspension or termination takes effect upon the date specified by the Responsible Entity and the suspension or termination does not give rise to any liability on the part of, or right or action against, the Directors or the Responsible Entity or its officers, employees or agents.
- 15.3 If the Plan is suspended, an election as to participation in the Plan will also be suspended and all Units are deemed to be non-Participating Units for the purpose of any Distribution paid while the Plan is suspended. Upon reinstatement of the Plan, all prior elections are reinstated subject to any Variation/Termination Form validly given by the Unitholder prior to the next Price Determination Date after the reinstatement of the Plan.

### **16. POWERS OF DIRECTORS**

- 16.1 Subject to the Constitution and these Rules, the Directors may implement and administer the Plan in such manner as they think fit.
- 16.2 Without limiting Rule 16.1 or the general powers of the Directors, the Directors may settle in such manner as they think 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 Participation or any Units and the determination of the Directors will be conclusive and binding on all Participants.



## **17. LIABILITY**

- 17.1 Neither the Responsible Entity or any of the Directors will be liable or responsible for:
- (a) any direct or indirect loss suffered by a Participant due to any amendment to the Rules of the Plan or any suspension or termination of the operation of the Plan effected in accordance with these Rules; or
  - (b) any liability of a Participant in respect of any Tax arising due to or in connection with his or her participation in the Plan.

## **18. TRANSACTION COSTS**

- 18.1 Subject to Rule 18.2 no brokerage, commission, stamp duty or other transaction costs will be payable by a Participant in respect of any issue of Units under the Plan.
- 18.2 Where due to any change in the law, stamp duty becomes payable in respect of an issue of Units to a Participant under the Plan, it will be payable by the Participant and the Responsible Entity may in its discretion deduct the amount of the stamp duty from any Distributions payable to the Participant and apply the amount so deducted to pay the stamp duty.

## **19. GOVERNING LAW**

- 19.1 These Rules are governed by and shall be construed in accordance with the laws in force in Queensland for the time being.