

Global Value Fund Limited
ACN 168 653 521

Dividend re-investment plan

Summary of the Dividend re-investment plan

1. Introduction

The Dividend Re-Investment Plan (**Plan**) offers shareholders the opportunity to acquire additional shares in Global Value Fund Limited (**Company**) by reinvesting part or all of their periodic dividends.

The Directors consider it important that the Plan operates to the advantage of all shareholders, not only those that participate in the Plan. Therefore, the Directors will only operate the Plan where they have formed the view that the benefits derived from the capital raised through the Plan will exceed the costs associated with the Plan, with the respective benefits and costs evaluated having regard to the position of all shareholders.

Accordingly, under the terms of the Plan the Directors have the ability to:

- (a) limit the amount of dividend which may be invested in subscription for shares under the Plan;
- (b) determine the price that will be used to calculate the issue price for each issue of shares under the Plan;
- (c) acquire shares on-market and procure the transfer of those shares to participants in the Plan rather than to issue new shares under this Plan; and
- (d) suspend, amend or terminate the Plan.

The following sections outline the way the Plan works and should be read in conjunction with the rules of the Plan. If you are interested in participating in the Plan you are encouraged to read the rules of the Plan in full.

2. Eligibility to participate

Participation in the Plan is optional and is open to all shareholders resident in Australia and those who are resident outside Australia and who have produced to the Company such evidence as the Company may require to satisfy it that any necessary approvals of any government or governmental authority in relation to participation in the Plan have been obtained and that such participation is not contrary to any applicable laws of Australia or any other relevant jurisdiction.

Before electing to participate in the Plan, a Shareholder who is not a resident in Australia should seek professional advice to ascertain if any restrictions apply. That Shareholder should then contact the Company directly with evidence to satisfy the criteria for participation set out above.

3. How to participate

Shareholders wishing to participate in the Plan that are eligible to do so should read this booklet and complete and return the application in writing or by electronic communication or by fax, each of which must be capable of authentication. If necessary, consult your financial adviser before joining.

The Company may in its absolute discretion refuse any election to participate in the Plan.

If a shareholder has multiple share holding accounts in the Company, a separate application will be required for each account.

4. When participation begins

Subject to the Company's acceptance of your application your participation in the Plan will, in general, begin with the first dividend paid after acceptance of your application to participate. If your application is received after the close of the Company's share register for determination of entitlements to payment of a dividend, it will not be effective until the Company's next dividend.

5. Full or partial participation

Shareholders wishing to participate in the Plan can elect to participate in respect of all of the shares registered in their name or in respect of a specified number of such shares only. Accordingly, shareholders have two options when completing an application:

- (a) **Full Participation:** Dividends on all shares held by a shareholder (including any additional shares acquired in the future whether under the Plan or otherwise) will be reinvested under the Plan.
- (b) **Partial Participation:** The shareholder can nominate the number of shares which participate in the Plan. Only the dividends on those shares (and any shares issued under the Plan in respect of those shares) will be reinvested in acquiring additional shares under the Plan and shareholders will continue to receive cash dividends on the rest of their shares.

If an application does not clearly indicate the level of participation in the Plan, it will be deemed to be an application for full participation.

6. How the Plan operates

When announcing a dividend, the Company will announce to ASX Limited (**ASX**):

- (a) the amount of the dividend;
- (b) any limit on the amount of dividend which may be applied to acquire shares under the Plan; and
- (c) the closing date by which shareholders must lodge an election to participate or vary their Plan participation if they wish their election to take effect in respect of the current dividend period.

Following the end of a dividend period, the Company will determine each shareholder's net dividend entitlement.

7. Shares acquired under the Plan

Under the Plan, the Directors will determine whether participating shareholders are to be issued with new fully paid ordinary shares in the Company or transferred existing fully paid ordinary shares in the Company pursuant to an on-market acquisition of shares through a broker on behalf of the Participants.

All shares issued or transferred (as the case may be) under the Plan will rank equally in all respects with existing shares from the date of issue. In the case of new shares being issued under the Plan, following allotment, the Company will apply to have the shares quoted on the ASX.

8. Reinvestment of dividends

The Plan has been structured to take account of the relationship between the market price of the Company's shares and its net tangible asset value per share (**NTA Price**) at the relevant time when dividends are being reinvested.

Where share price is greater than or equal to NTA Price

If the prevailing share price is higher than or equal to the NTA Price, you will receive your dividends as newly issued shares in the Company.

In addition, the Company will promptly apply for quotation on the ASX of new shares issued and allotted under the Plan.

Where share price is less than the NTA Price

If the prevailing share price is less than the NTA Price, dividends on shares subject to the Plan will be used to acquire the Company's shares on-market.

The Company has 20 trading days in which to do this on behalf of all shareholders participating in the Plan. The average share price, less brokerage and stamp duty, is then determined and the shares purchased under the Plan are allocated among the participating shareholders in accordance with their level of participation.

However, where the Company cannot buy enough shares on-market within 20 trading days to satisfy the full amount of dividends payable, the remainder of the dividend will be applied for the issue of new shares or given to the shareholder in cash.

What is the issue price of shares?

Shares issued under the Plan will be issued at the greater of:

- the NTA Price on the day immediately prior to the record date for the dividend; and
 - the weighted average price of all shares traded on the ASX during the period set by the Board less any discount the board considers appropriate.
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9. Disposal of shares

If a participating shareholder elects for Full Participation and then sells some of its shares, the dividends on the remaining shares will continue to be reinvested under the Plan.

If a participating shareholder elects for Partial Participation and then sells some of its shares, the number of shares sold will be deemed firstly to be shares that are not participating in the Plan and, once they are all deemed to be sold, then secondly participating shares under the Plan.

10. Variation or termination of participation

Shareholders may vary their level of participation in the Plan or withdraw from the Plan at any time by giving notice in the form approved by the Company to the Company's share registry.

The Company may in its absolute discretion refuse any variation of the level of participation in the Plan (but not any withdrawal).

The variation (subject to acceptance by the Company) or termination will be effective in relation to any dividends in respect of which the close of the Company's share register for determination of entitlements to payment of the dividend occurs after the notice is received.

11. Variation, suspension and termination of Plan

The Company may vary the Plan Rules at any time by notice on the Company's website and by notice to the ASX. If the Rules are varied, participating shareholders will continue to participate under the Plan and the Rules in their varied form will apply to them.

The Company may also suspend or terminate the operation of the Plan at any time by notice on the Company's website and by notice to the ASX. The Company may reinstate the Plan following a suspension at any time by notice on the Company's website and by notice to the ASX.

12. Brokerage and commission

The Company will issue shares under the Plan free of brokerage fees and/or commission. Where the Company acquires shares on-market for participating shareholders, brokerage payable on those acquisitions will be passed on to participating shareholders. The Company will endeavour to secure the most cost effective brokerage rates possible. No brokerage will be payable on the subsequent transfer of those shares to participating shareholders.

13. Plan underwriting

Where the Directors consider it appropriate, the Company may periodically have the Plan underwritten.

14. Taxation

Under current Australian taxation laws, reinvested income will be regarded for tax purposes as if it were received in cash. Please refer to the Plan dividend statement for the details of each dividend.

The Company does not take any responsibility for the taxation liabilities of shareholders and suggests that you obtain independent advice concerning your taxation position.

Dividend re-investment plan rules

The following Rules contain the terms, provisions and conditions that apply in relation to the Global Value Fund Limited dividend re-investment plan.

1. Interpretation

(a) In these Rules:

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited (as the context requires).

Board means the Directors from time to time.

Calculation Time means 4pm (Sydney time) on the day before the Record Date.

Company means Global Value Fund Limited (ACN 168 653 521).

Directors means the directors of the Company.

Discount means the discount (if any) which the Board determines to apply to the Share Price for the purposes of calculating the issue price of Shares under this Plan.

Dividend means a cash dividend or cash component of a dividend.

Eligible Member means a person registered as the holder of a Share:

- (i) whose address as it appears in the register of members of the Company is (and, in the case of a Share held jointly by two or more persons, all of whose addresses appearing in such register is) in Australia; or
- (ii) whose address as it appears in the register of members of the Company is (and, in the case of a Share held jointly by two or more persons, one of whose addresses appearing in such register is) outside Australia and who has produced to the Company such evidence as the Company may require to satisfy the Company that any necessary approvals of any governmental authority in relation to participation in the Plan have been obtained and that participation is not contrary to any applicable laws of Australia or any other relevant jurisdiction.

Listing Rules means the listing rules of the ASX.

Market Participant has the meaning given in the Listing Rules.

NTA Price means the amount per Share calculated by dividing the NTA Value as at the Calculation Time by the total number of Shares on issue at that time.

NTA Value has the meaning given in Rule 1(b).

Participant means an Eligible Member who has applied to participate in the Plan and whose application has been accepted by the Company under Clause 3.

Payment Date means, in respect of a Dividend, the date for payment of that Dividend.

Plan means the Global Value Fund Limited dividend re-investment plan on the terms set out in this document as amended from time to time.

Plan Account means a separate account kept by the Company, for record purposes only, which records the amount of Dividends to which a Participant becomes entitled from time to time in respect of that Participant's Plan Shares.

Plan Share mean a Share that is designated a plan share under Clause 3.

Record Date means the date on which the Company's share register is closed in order to determine entitlement to a Dividend in accordance with the requirements of the Listing Rules.

Register means the register established and maintained under Clause 4(a).

Re-investment Share Limit means, in respect of each Plan Account, the maximum number of Shares that may be issued or transferred to a Participant based on the credit balance of the Plan Account immediately before an issue or transfer to a Participant of additional Shares under the Plan.

Share means a fully paid ordinary share in the capital of the Company.

Shareholding Account means:

- (i) where an Eligible Member has one holding of Shares, the account recording that holding; and
- (ii) where an Eligible Member has two or more holdings of Shares, each separate account recording each separate holding.

Share Price means the volume weighted average price at which Shares have traded on the ASX during the period set by the Board commencing on the second trading day after the Record Date.

(b) For the purposes of this Plan, **NTA Value** means:

- (i) the total assets of the Company as at the Calculation Time provided that the value of any investment of the Company that is quoted for trading on a securities exchange or other financial market at the Calculation Time is deemed to be the value determined as at close of trading on the last trading day on that market that has commenced before the Calculation Time; and
- (ii) less the sum of the total liabilities (including provisions for tax on realised capital gains), intangible assets and the estimated tax that would be payable on any unrealised capital gains if those gains were realised, of the Company as at the Calculation Time,

in each case determined applying the same accounting policies and accounting principles that the Company applies in determining the net tangible asset backing per Share reported to the ASX in accordance with ASX Listing Rule 4.12.

(c) Subject to any express or implied contrary intention:

- (i) words importing the singular include the plural and vice versa;
- (ii) a gender includes all genders;
- (iii) words importing natural persons include corporations and vice versa; and
- (iv) references to Clauses are references to Clauses of these Rules.

2. Applications

- (a) No person other than an Eligible Member may apply to participate in the Plan.
- (b) Every Eligible Member who wants to participate in the Plan must submit an application form in such form as the Company has approved (the **Dividend Election Notice**) in accordance with Clause 11.
- (c) An Eligible Member may elect in its Dividend Election Notice to participate in the Plan in respect of:
 - (i) part only of the Shares of which it is registered holder at the time the Company receives its application including any Shares allotted to it under the Plan (the **First Alternative**); or
 - (ii) all Shares of which it is from time to time the registered holder including any Shares allotted to it under the Plan (the **Second Alternative**),

and must nominate in the Dividend Election Notice which of the First Alternative or Second Alternative is to apply. If the First Alternative is nominated, the Eligible Member must specify the number of Shares in respect of which it seeks to participate in the Plan. If the Eligible Member fails to nominate an alternative or, where the First Alternative is nominated, fails to specify the number of Shares in respect of which it wishes to participate, the Eligible Member is deemed to have elected the Second Alternative.

- (d) An Eligible Member may not participate in the Plan in respect of fewer than 100 Shares.
- (e) No Eligible Member may transfer the right to any allotment or transfer of Shares under this Plan.

3. Acceptance of applications

- (a) The Company may in its absolute discretion accept or refuse any application made by an Eligible Member under Clause 2 without being bound to give any reason for doing so.
- (b) If the Company refuses to accept an application it must notify the Eligible Member as soon as practicable that the Dividend Election Notice has been rejected.
- (c) The Company's acceptance of an application must be recorded in the Register in accordance with Clause 4(a). The Shares subject to such an application become designated Plan Shares in accordance with Clause 11.
- (d) The Directors are under no obligation to correct or amend defective applications to participate on behalf of Eligible Members.
- (e) An Eligible Member who applies to participate in the Plan is deemed to have directed the Company to apply such monies in its Plan Account as required for the subscription for, or other acquisition of, the number of Shares determined in accordance with Rule 5.

4. Register

- (a) The Company must establish and maintain a register in which it will record, in respect of each Participant, particulars of:

- (i) the Participant's name and address;
 - (ii) the number of the Participant's Plan Shares; and
 - (iii) any variation approved by the Company under Clause 7(a).
- (b) The Register is conclusive evidence of the matters recorded in it.
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5. Operation of the Plan

- (a) Every Dividend which is payable to a Participant in respect of the Plan Shares must be applied by the Company on the Participant's behalf in subscribing for additional Shares, purchasing additional Shares on the ASX, paid in cash or a combination of the above in accordance with this Rule 5.
- (b) In respect of each Participant with Plan Shares, the Company must establish and maintain a Plan Account.
- (c) In respect of every Dividend payable to a Participant, the Board must:
- (i) determine the amount of the Dividend payable in respect of that Plan Account; and
 - (ii) credit that Dividend to the Plan Account.
- (d) Where the Share Price is greater than or equal to the NTA Price, for each Participant's Plan Account the Board must:
- (i) determine the Reinvestment Share Limit for the Plan Account;
 - (ii) where the Reinvestment Share Limit is a fraction, round the Reinvestment Share Limit up or down to the nearest whole number;
 - (iii) debit the Plan Account with the amount of the Dividends to be used to subscribe for those additional Shares; and
 - (iv) issue the Shares subscribed for and adjust the Participant's Shareholding Account accordingly.
- (e) Shares issued under the Plan must be issued at an issue price equal to the greater of:
- (i) the Share Price minus the Discount (if any); and
 - (ii) the NTA Price.
- (f) Where the Share Price is less than the NTA Price the Board must:
- (i) determine the total amount of Dividends available in all Plan Accounts to purchase Shares on the ASX under the Plan;
 - (ii) subject to Rule 5(h), within the 20 trading days after the Record Date, cause the Company to purchase such number of Shares on the ASX and pay all brokerage, commission, stamp duty or other transaction costs in respect of those purchases, as can be acquired by expending an amount equal to the total amount of Dividends available in all Plan Accounts;

- (iii) determine the average price of the Shares purchased on the ASX, after making allowance for brokerage, commission, stamp duty or other transaction costs in respect of the Shares purchased;
 - (iv) determine the Share Purchase Limit for each Plan Account;
 - (v) debit the Plan Account with the purchase price for the additional Shares;
 - (vi) either debit the Plan Account with the amount of the Dividends to be used to subscribe for those additional Shares and issue the Shares subscribed for in accordance with Rule 5(i)(i) or retain any cash balance in the Plan Account to be applied in accordance with the Plan after the following Record Date or pay that cash balance to the Participant in accordance with Rule 5(i)(ii), in each case as the Board determines in its absolute discretion; and
 - (vii) adjust the Participant's Shareholding Account accordingly;
- (g) Subject to Rule 5(h), Shares purchased by the Company on behalf of the Participant on the ASX must be purchased at the market price of the Shares on the ASX within the time limit set out in Rule 5(f)(ii) (the **Time Limit**).
- (h) Notwithstanding any other provision of this Plan, the Board must not continue to purchase Shares on-market on the ASX for so long as the market price for Shares on ASX remains above the NTA Price during the period in which the Company is purchasing Shares on behalf of Participants.
- (i) In the event that the Board cannot expend all of the Dividends available under the Plan in purchasing Shares on the ASX within the Time Limit the Board may, at its election:
- (i) comply with Rules 5(d) and 5(e) in respect of those Dividends that have not been used to purchase Shares on the ASX, except that the issue price of Shares issued under these circumstances must be the greater of:
 - (A) the Share Price less the Discount (if any); and
 - (B) the NTA Price; or
 - (ii) pay in cash the relevant amount not so expended to the Participants on the Payment Date (with each Participant's cash entitlement determined in accordance with that Participant's Plan Account) or retain any cash balance in the Plan Account to be applied in accordance with the Plan after the following Record Date as the Board determines in its absolute discretion.

6. Shares acquired under the Plan

- (a) All Shares issued under the Plan:
 - (i) rank equally in all respects with existing Shares; and
 - (ii) participate in all Dividends subsequently declared.
- (b) Shares to be allotted or transferred under the Plan must be allotted or transferred within the time frames required by the Listing Rules.
- (c) Shares allotted under the Plan must be registered on a register where the Participant to whom the Shares are allotted already holds Shares.

- (d) Shares that are to be purchased on ASX under the Plan must be allocated to the Participant's Shareholding Account or otherwise transferred to the Participant no later than the date on which the dividend being retained and applied in accordance with this Plan would have been distributed to the Participant.
- (e) If the Board determines to cause the purchase and transfer of Shares to Participants, the Shares may be acquired as the Board considers appropriate. The Company, if it so chooses, may create a trust (of which the Participants are the beneficiaries) to acquire the Shares and then transfer or sell those Shares to the Participants.

7. Variation or termination of participation

- (a) Participants may at any time apply to increase or decrease the number of their Plan Shares by submitting, in accordance with Clause 11, a form the Company has approved (**Variation Notice**) and the Company may, in its absolute discretion, approve or refuse such an application.
- (b) The Company's approval of a Variation Notice must be recorded by entering the variation requested in the Register. The variation takes effect in accordance with Clause 11.
- (c) Participants may at any time submit, in accordance with Clause 11, a notice of termination of their Participation in the Plan in such form as the Company has approved (**Termination Notice**). The termination takes effect in accordance with Clause 11 and on the date it becomes effective the Participant ceases to be a Participant and all Plan Shares held by that Participant cease to be Plan Shares.
- (d) If a Participant dies, participation by him and any other Participants with whom the deceased was a joint Participant is terminated on the date the Company receives notice of death of the deceased Participant.
- (e) If a Participant disposes of all of his Shares without giving the Company a Termination Notice and is not registered as the holder of any Shares when the Company's share register is next closed for determination of entitlements to a payment of a Dividend, the Participant is deemed to have terminated their participation on the last date when the Company registered a transfer or instrument of disposal of their Shares.
- (f) Where a Participant disposes of only some of his Shares without giving the Company a Termination Notice or Variation Notice:
 - (i) if the number of Shares disposed of is less than or equal to the number of his Shares which are not Plan Shares, the Shares so disposed of are deemed not to be Plan Shares;
 - (ii) if the number of Shares disposed of is more than his Shares which are not Plan Shares, the Shares disposed of are deemed to include all of his Shares which are not Plan Shares together with that additional number of his Plan Shares equal to the number calculated by subtracting from the number of Shares disposed of the number of all his Shares which are not Plan Shares.

8. Stock exchange listing

After each issue of new Shares, the Company must promptly apply for their quotation on the official list of ASX.

9. Limitation of subscription

The Company may at any time by notice in writing to Participants limit the amount of Dividend that may be invested in subscriptions for Plan Shares.

10. Variation, suspension and termination of the Plan

- (a) The Company may vary, suspend or terminate these Rules at any time or from time to time by notification on the Company's website and by notice to the ASX. For the avoidance of doubt, where the Company has announced that the Plan will operate in respect of a Dividend, the Company retains the discretion to suspend the Plan in respect of that Dividend at any time prior to the payment date for that Dividend.
 - (b) The variation, suspension or termination takes effect upon the date specified by the Company and the variation, suspension or termination does not give rise to any liability on the part of, or right or action against, the Company or its officers, employees or agents.
 - (c) If the Plan is suspended, an election as to participation in the Plan will also be suspended and all Plan Shares are deemed not to be Plan Shares for the purpose of any Dividend paid while the Plan is suspended.
 - (d) Any suspension under Clause 10(c) will continue until such time as the Company resolves to recommence or terminate the Plan.
 - (e) The Company may reinstate the Plan following a suspension in accordance with this Clause 10 by notification on the Company's website and by notice to the ASX. Upon reinstatement of the Plan, all prior elections will be reinstated and will continue to apply unless the Company determines otherwise.
 - (f) The Directors may settle 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, in such manner as they think expedient and the determination of the Directors is conclusive and binding on all Participants and other persons to whom the determination relates.
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11. Applications and other notices

- (a) Applications and notices to the Company must be in the form the Company has approved from time to time. The Company may determine that applications and notices to the Company may be lodged electronically either through the Company's website or that of an authorised third party (including the Company's share registry). Any application or notice lodged electronically must comply with the applicable terms and conditions of the electronic lodgement facility.
- (b) Subject to Clauses 11(c) and 11(d), applications and notices are effective upon acceptance by the Company or its share registry (as appropriate).
- (c) Applications or notices accepted after the close of the Company's share register for applications to the Plan for that Dividend are not effective in respect of that Dividend but are effective in respect of subsequent Dividends.
- (d) The Company has absolute discretion to:

- (i) accept or reject any Dividend Election Notice or Variation Notice;
 - (ii) accept or reject an application or notice that is not properly completed or signed; and
 - (iii) prior to acceptance, clarify with an Eligible Member any instruction with respect to an application or notice in order for the application or notice to be properly completed.
- (e) The accidental omission by the Company to give any notice under these Rules to any Participant, Eligible Member, ASX or any other person will not invalidate any act, matter or thing.
 - (f) For the purposes of this Clause 11, an application or notice includes, but is not limited to, a Dividend Election Notice, a Variation Notice and a Termination Notice.
 - (g) Each Participant is deemed to have applied for the issue of new Shares, agreed to the transfer to it of on-market Shares and given a direction to the Company to make the payments necessary to give effect to this Plan.
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12. Costs to participants

- (a) No brokerage, commissions or other transaction costs is payable by Participants for an allotment of Shares under the Plan.
 - (b) The brokerage, commission, stamp duty and other transaction costs must be paid by Participants in respect of the purchase of Shares under the Plan in accordance with Rule 5(f)(ii). The Company must use its reasonable commercial endeavours to secure the most cost effective brokerage rates possible for Participants.
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13. Statements

As soon as practicable after each allotment and transfer of Shares and as required by the Listing Rules, the Company must send to each Participant to whom Shares have been allotted or transferred a statement setting out, in respect of that Participant:

- (a) the number of the Participant's Plan Shares as at the Record Date;
 - (b) the amount of cash Dividend due and payable to that Participant in respect of the Participant's Plan Shares which have been applied towards subscription for additional Shares;
 - (c) the number of additional Shares allotted or transferred to the Participant;
 - (d) the number of Shares (including Plan Shares) in respect of which the Participant is the registered holder after such allotment or transfer; and
 - (e) the amount, if any, to be refunded to the Participant.
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14. Participants to be bound

Participants are bound by these Rules in respect of the Plan as modified or varied from time to time under Clause 7.

Directory

Registered office

C/- Mertons Corporate Services Pty Limited
Level 7
330 Collins Street
Melbourne VIC 3000

Share registry

Boardroom Pty Limited
Grosvenor Place
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225 George Street
Sydney, NSW, 2000
Phone:+61 2 9290 9600
Fax:+61 2 92790664
Email:enquiries@boardroomlimited.com.au

For enquiries regarding the Plan please contact the share registry at the address or number listed above.