

Investors Mutual Limited (“IML”)

Active ETF – Distribution Reinvestment Plan Rules

1. Application of Rules

- 1.1 These Rules apply to the Distribution Reinvestment Plans (**Plan**) for each Active ETF set out in Appendix A and is applicable from the effective dates for the relevant Active ETF set out in Appendix A.
- 1.2 Participation in the Plan is subject to these Rules.
- 1.3 Participants are bound by the Rules of the Plan as modified from time to time in IML’s absolute discretion.
- 1.4 IML has the absolute discretion whether to allow the reinvestment of Distributions, or to refuse to accept the Application of, to suspend, or to reduce participation by any Investor, and may terminate, modify, repeal, replace or suspend the Plan at any time.

2. Eligibility to participate in the Plan

- 2.1 Any Eligible Investor may participate in the Plan. Please refer to the ‘Definitions’ section at the end of the policy for the definition of an ‘Eligible Investor.’
- 2.2 Participation in the Plan is optional and is not transferable.
- 2.3 By applying to participate, each Eligible Investor:
 - a. acknowledges and warrants to Investors Mutual Ltd that it is an Eligible Investor;
 - b. authorises IML (and its officers or agents) to correct any error in, or omission from, any notice or Application that it submits;
 - c. acknowledges that neither IML nor the Registrar has provided it with investment, financial product, taxation or other advice concerning its decision to apply to participate in the Plan and that neither IML nor the Registrar has any obligation to provide such advice;
 - d. that IML may, in its absolute discretion, reject any Application without being required to provide any reason for doing so;
 - e. warrants to IML that the offer, Allocation or transfer of units to the Participant will not breach any applicable law in a jurisdiction outside Australia; and
 - f. warrants to IML that neither IML nor the Registrar nor any of their respective officers, employees or representatives will be liable or responsible to any Participant or Investor for any loss or alleged loss or disadvantage suffered or incurred by a Participant as a result, directly or indirectly, of the establishment or operation of, or the participation in, the Plan or any transaction under the Plan.

3. Application to participate

3.1 Applications

An Eligible Investor may apply to participate in the Plan by making an election in writing to participate in the Plan (Application).

Where an Eligible Investor does not make an election to participate in the Plan, and does not provide their nominated bank account details for the payment of cash Distributions, then Investors Mutual Limited will deem that Investor to have elected to participate in the Plan.

An Eligible Investor must make a separate Application for each Participating Active ETF.

3.2 Joint Investors

If the Active ETF units are jointly held by two or more Eligible Investors, all joint Eligible Investors must make a single election to participate in the Plan for it to be valid. If one or more of the joint Investors is not an Eligible Investor, none of the joint Investors can apply to, or will be admitted to, participate in the Plan with respect to the Active ETF units jointly held. If the election is made in writing each joint Investor must sign the Application form. If election is electronic, one Investor may elect on behalf of the joint Investors, but may only do so if that Investor has the written consent of the other Investor.

3.3 Multiple holdings

Where an Eligible Investor has more than one allocated holding on the Register, the Eligible Investor will have to make a separate election for each holding.

3.4 Effective Date

To be effective for a forthcoming Distribution, the Application must be received by the Registrar by 5pm local time in Sydney, NSW on the Record Date for that Distribution. If the Application is received after 5pm local time in Sydney, NSW on the Record Date for that Distribution it will apply for the next Distribution.

3.5 Acceptance of Applications

IML may in its absolute discretion accept or refuse any Application.

Once the Application has been accepted it will apply to all future Distributions until the Participant terminates participation under the Plan, or IML terminates the Plan in accordance with these Rules.

4. Degree of Participation

4.1 Full or partial participation

An Investor must elect in their Application the percentage or number (as applicable) of Active ETF units in their holding with which they are participating in the Plan. If the Application in respect of any holding does not make any indication as to number or percentage, IML may determine, without notice to the Investor, such Application to be an election for full participation.

4.2 Limit to participation

IML may at any time by written notice to Eligible Investors limit participation in the Plan by limiting the number or sum value of Active ETF units which may be reinvested under the Plan.

4.3 Partial Participation

If an Investor elects partial participation in respect of a holding, only the percentage or number (as applicable) of Active ETF units specified in their Application in respect of that holding will participate in the relevant Plan while that the balance of that holding will receive cash Distributions in the normal way.

If an Investor elects partial participation in respect of a holding and, in the relevant Application, by specifying a number of units in respect of that holding that will participate in the relevant Plan:

- a) if on any Record Date the number of units comprised in that holding is less than the number of units specified in the Application then all of the units comprised in that Holding will participate in the relevant Plan;
- b) any Units comprised in that holding in excess of the number specified in the Application, whether acquired under the relevant Plan or otherwise, will not participate in that Plan unless the Participant alters the participation level in respect of that holding in accordance with paragraph 9.

4.4 Full participation

In the case of full participation, all Active ETF units held by the Eligible Investor, from time to time, however acquired (including Active ETF units Allocated under the Plan) will be subject to the Plan.

4.5 Discrepancies

In the case of full participation, only the number of Active ETF units registered in the name of the Eligible Investor on the Record Date for a Distribution Period will be subject to the Plan.

5. Operation of the Plan

5.1 Plan Accounts

IML will establish and maintain a Plan Account for each Participant.

5.2 Issue price

Active ETF units Allocated under the Plan will be Allocated at an issue price subject to rounding and calculated in accordance with the relevant Constitution. The Issue Price is calculated based on the price of the Active ETF as at the end of the Distribution Entitlement Date, less the Distribution entitlement per unit. The Issue Price is rounded to four decimal places.

5.3 Reinvestment of Distributions

Distributions on Active ETFs will be applied by IML on the Participant's behalf in subscribing for or acquiring Active ETF units. Any amount that IML is allowed, is entitled to withhold or retain, in relation to the Distribution whether under its Constitution or otherwise, will not be available for subscribing for this purpose.

5.4 Calculation of Distributions

The number of Active ETF units, subject to Rule 5.5, Allocated to each Participant will be:

$$\frac{\text{Distribution Payable} + \text{Credit}}{\text{Issue Price}}$$

Issue Price

where:

Distribution Payable is the Distribution payable in accordance with the Constitution as at the end of the Distribution Entitlement Date for that Distribution

Credit is the credit balance (if any) from a previous Distribution on the Participant's Plan

Issue Price is the Price at which Active ETF units are Allocated as determined in accordance with Rule 5.2

5.5 Fractions

Where a fraction of a Active ETF unit results from the application of the formula in Rule 5.4, that fraction will be rounded down to the nearest whole number and the remaining Distribution not applied will be carried forward as a credit balance on the Participant's Plan Account (**Credit**). No interest will be payable on the credit balance.

5.6 Authorisation to IML

A Plan Participant shall be deemed to have directed IML to:

(a) determine the amount of the relevant Distribution entitlement of each Participant in respect of the Participating Active ETF, and credit the amount to the Participant's Plan Account;

(b) determine and deduct from the Participant's Plan Account any Australian tax applicable or required to be withheld in respect of any Distribution to the Participant;

(c) determine the maximum whole number of Active ETF units which could be acquired at the Issue Price by applying the credit balance amount in the Participant's Plan Account;

(d) on behalf of the Participant, subscribe for that number of additional Active ETF units determined under paragraph 5.6(c) and debit the Participant's Plan Account with the aggregate Issue Price of the Active ETF units subscribed for;

(e) Allocate to the Participant that number of Active ETF units determined under Rule 5.4; and

(f) retain in the Participant's Plan Account any credit balance remaining after the Allocation of Active ETF units under Rule 5.4 until the payment of the next Distribution when that amount will be aggregated with any further Distribution credited to the Participant's Plan Account.

5.7 Administration of the Plan

This Plan will be administered by IML. IML has the power to:

- (a) determine procedures for administration of the Plan consistent with these Rules;
- (b) settle in such manner as IML considers expedient (in its discretion) any difficulties, anomalies or disputes which may arise in connection with the operation of the Plan, whether generally, or in relation to any Participant or any Active ETFs, and the determination of IML 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 its Registrar, for such period and on such conditions as it may determine, the exercise of any of their powers or discretions arising under the Plan.

6. Active ETF Allocation under the Plan

6.1 Rights attached to Active ETF units

Active ETF units Allocated under the Plan will be credited as fully paid and rank equally in all respects with existing Active ETF units as from the date of Allocation.

6.2 Time of issue

Active ETF units to be allotted under the Plan will be issued within the time required by the ASX Operating Rules, ASX Listing Rules, and the Constitution.

7. Tax or other costs

7.1 Costs to Participants

To the extent permitted by law, Investors Mutual Ltd will pay any spread costs in respect of Active ETF units allotted Allocated under the Plan.

7.2 Change in law

In the event of a change in the existing legislation so that at the date of any issue, stamp duty or other tax or impost is payable in respect of the Allocation of Active ETF units under the Plan, the amount of such stamp duty or other tax shall be paid by the Participant to whom the Active ETF units under the Plan are Allocated and will be debited to the Participant's Plan Account.

8. Plan Statement

The Registrar will send to each Participant a combined Distribution statement and holding statement following the Allocation of Active ETF under the Plan setting out the following information:

- (a) the Distribution payable in respect of that Participant's Plan which has been applied towards the acquisition of Active ETF units;
- (b) the number of additional Active ETF units Allocated to that Participant under the Plan; and
- (c) the price at which the Active ETF units were Allocated.

9. Variation or Termination of Participation

9.1 By Participant

A Participant may at any time terminate participation in the Plan, by lodging a notice either in writing or by election through IML's appointed Registrar. To be effective for a forthcoming Distribution the termination notice must be received by the Registrar by 5pm local time in Sydney, NSW on the Record Date for that Distribution.

9.2 By sale of Active ETF/s

If a Participant disposes of all its Active ETFs, it will be deemed to have terminated participation in the Plan on the last date on which the Registrar registered the disposal of the Active ETF units.

9.3 Death, bankruptcy, wind-up

If a Participant dies, participation in the Plan terminates upon receipt by the Registrar of written notice of the death. If a Participant is declared bankrupt, insolvent or is wound-up, participation in the Plan terminates upon receipt by the Registrar of a notification of bankruptcy, insolvency 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 provided the remaining holder or all remaining joint holders are Eligible Investors.

9.4 Credit balances on termination

If a Participant terminates (or is deemed to have terminated) their participation in the Plan, the amount of any credit balance held in the Participant's Plan Account (arising under Rule 5.6(f)), will be paid to the Participant, at a time and in a manner determined by IML in its discretion.

10. Modification, Suspension or Termination of the Plan by IML

10.1 Notice

IML may, in its absolute discretion, by giving notice to Investors, at any time and for any period, modify, repeal, replace, suspend and terminate the Plan. IML will give notice to Investors by making the notice available on the website for the relevant Active ETF set out in Appendix A.

10.2 Omission to give notice

The accidental omission to give to an Investor a notice of modification, variation, amendment, suspension or termination of the Plan, or non-receipt of such a notice by an

Investor, shall not invalidate the modification, amendment, variation, suspension or termination of the Plan.

10.3 **Liability**

The modification, amendment, variation, suspension, recommencement or termination does not give rise to any liability on the part of, or right of action against, IML or any of its officers, employees, representatives or agents.

10.4 **Variation of Plan**

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.

10.5 **Suspension of Plan**

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 prior to the next Ex Distribution Date after the recommencement of the Plan.

10.6 **Credit balances**

If the Plan is suspended [for a period of 10 days or more], or is terminated by IML, the amount of any credit balance held in the Participant's Plan Account (arising under Rule 5.6(f)), will be paid to the Participant, at a time and in a manner determined by IML.

11. **Taxation**

IML does not make any representation or warranty in respect of, or accept any responsibility for, the liability of Participants to the payment of income tax, or any other tax, duty or impost, in respect of any Allocation of Active ETF units, payment or other transaction pursuant to the Plan.

12. **ASX Operating Rules, Listing Rules, and Constitution**

Notwithstanding any other provision of the Plan, this Plan must be administered in accordance with the ASX Operating Rules, Listing Rules and the relevant Constitution

13. **Definitions**

When used in these Rules, the words listed will, unless the contrary intention appears, have the following meanings:

Active ETF means the relevant actively managed registered managed investment scheme for which IML acts as responsible entity and which is set out in Annexure A.

Allocation means the issue of new Active ETF units to Participants under the Plan or the transfer of Active ETF units to Participants under the Plan.

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

ASX means Australian Securities Exchange Limited (ACN 008 624 691) or the securities market which it operates, as the context requires.

ASX Listing Rules means the rules which regulate the admission of entities to the ASX, the quotation of units, and some aspects of listed entity conduct, which are applicable while the Active ETF is quoted for trading except to the extent of any express written waiver by the ASX.

ASX Operating Rules means the rules that regulate how trading may take place on the ASX which are applicable while the Active ETF is quoted for trading, except to the extent of any express written waiver by the ASX.

Constitution means the scheme constitution of the relevant Active ETF, as amended from time to time.

Distribution means amounts to be distributed to Investors pursuant to the Constitution of the relevant Active ETF whether income or capital.

Distribution Entitlement Date means the date on which entitlement to the Distribution is determined in accordance with the Constitution.

Distribution Period means a period for which income of the Active ETF is calculated.

Eligible Investor means a registered Investor on the Record Date applicable to the Active ETF Distribution Period where that Investor has a registered address in Australia or New Zealand.

Ex Distribution Date means the first day on which Active ETF trade on the ASX without an entitlement to the relevant Distribution.

Investor means a unitholder holding Active ETF units.

Issue Price means the NAV unit price at the end of the Distribution Entitlement Date less the distribution entitlement per unit.

Participant means an Eligible Investor whose Application to participate in the Plan has been accepted by IML.

Participating Active ETF means the Active ETF in respect of which Distributions are reinvested in accordance with the Plan.

Plan means the IML Active ETF distribution reinvestment plan, the terms of which are set out in these Rules, as varied from time to time.

Plan Account means the plan account established and maintained by IML for each Participant in accordance with these Rules.

Record Date means the date announced by IML as the date the relevant Active ETF Register is closed for the purpose of determining which Investors are entitled to receive the current distribution.

Register means the official recording of the names of the Active ETF Investors and the number of Active ETF units held by each Investor.

Registrar means the registrar set out from time to time in the PDS for the relevant Active ETF.

Rules means these terms and conditions, being the Active ETFs – Distribution Reinvestment Plan Rules

IML means Investors Mutual Ltd (ABN 14 078 030 752).

Appendix A

1. **Investors Mutual Concentrated Australian Share Fund (Active ETF) (ASX:IMLC) – Website: iml.com.au**
2. **Loomis Sayles Global Equity Fund (Active ETF) (ASX: LSGE) – Website: loomissayles.com.au**
3. **Vaughan Nelson Equity SMID Cap Fund (Active ETF) (ASX:VNGS) – Website: vaughannelson.com.au**