

# Dividend Reinvestment Plan



**BLACKMORES®**



28 August 2018

Dear Shareholder,

## **DIVIDEND REINVESTMENT PLAN**

The Company has a Dividend Reinvestment Plan (“DRP” or “the Plan”). Participation in the Plan is entirely optional. As a holder of shares in Blackmores Limited, you may elect to receive dividends in cash, or in the form of shares. The DRP will be generally available to Australian and non-Australian resident shareholders.

Shareholders with a registered address or being a resident in a country other than Australia or New Zealand may not be able to participate in the DRP because of legal requirements applicable in that country. The DRP accordingly does not extend to shareholders who are resident of countries with such restrictions.

The Plan is governed by the Plan Rules and you are encouraged to refer to those Rules for further information. In summary, under the DRP, you may elect to reinvest all or part of your dividends in fully paid ordinary shares in Blackmores. The price will be determined under the Plan Rules and may be at a discount fixed by the Board from time to time. Acquisition of shares under the Plan is free of transaction costs such as brokerage and stamp duty.

Please note if you do elect to participate in the DRP, you may still be subject to an income tax obligation in respect of your full dividend entitlements, regardless of whether you take all or part of that dividend in the form of shares. Overseas residents are strongly advised to make their own enquires regarding their tax liability, both in Australia and in their place of residence.

An Election Form should be completed if you wish to participate and sent to our share registrar, Computershare. The Election Form may be obtained from:

- Blackmore’s website  
[DRP Election Form](#)
- Computershare’s website  
[www-au.computershare.com/investor/](http://www-au.computershare.com/investor/)
- Computershare Investor Services Pty Limited  
Tel: +61 (0) 3 9415 4000 or 1300 850 505 (within Australia)

We look forward to your continued support.

Stephen Chapman  
Chairman

# Blackmores Dividend Reinvestment Plan

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The Blackmores Dividend Reinvestment Plan (“DRP” or “the Plan”) allows shareholders to elect to reinvest all or part of their dividends in fully paid ordinary shares in Blackmores.

This Booklet contains the information in relation to the DRP and the Plan Rules which you should read carefully before you decide to participate in the DRP.

The Blackmores Board will determine whether the DRP will apply with respect to each dividend at the time it considers the dividend declaration. The Board may also determine whether a discount will apply to a declared dividend. These details will be provided to the market at the same time as the dividend is announced.

## Key Points

The DRP offers shareholders a simple way to increase their shareholdings in Blackmores. Under the Plan a shareholder’s entitlement to dividends in respect of their Blackmores shares remains unaffected. However, for those of their shares which are nominated for participation in the DRP, dividends in respect of these shares are reinvested in additional, fully paid shares in Blackmores.

Shares will be issued under the Plan at a price based on the market price (which is defined in the Plan Rules). The price may be reduced by a discount which the Blackmores Board may determine from time to time and which will be announced to the market. Since the period for determining the price will usually commence after the deadline for the receipt of the Election Form, the price will usually not be known at the time of deciding to participate in the DRP for a dividend.

In addition, shareholders will not be charged for brokerage, commission, stamp duty or any other costs for shares issued under the Plan.

All shares issued under the Plan will rank equally with all other fully paid shares on issue.

## Participation

Participation in the Plan is entirely optional. Subject to the Plan Rules, the DRP will generally be available to all shareholders. Shareholders having a registered address or being a resident in a country other than Australia or New Zealand may not be able to participate in the DRP because of legal requirements applicable in that country. Eligible shareholders may choose to participate in the DRP in respect of all their shares or only on a specified number.

The Directors have an overriding discretion to refuse to accept an application to participate in the Plan made by a shareholder whose address or place or residence is in a country other than Australia and where, in the opinion of the Directors, the laws of Australia or of the other country or any other matter make participation in the Plan illegal, impossible or impracticable.

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# Blackmores Dividend Reinvestment Plan

## How to Reinvest your Dividend

A shareholder may apply to participate in the DRP, change the level of participation or cancel participation in the DRP at any time provided sufficient notice is given. A shareholder may simply complete the Election Form and return it to the Share Registrar.

## Sale of Shares

Shareholders will be able to sell shares issued under the Plan at any time.

However, if you elect to have only a specified part of your shareholding participate in the Plan, any shares subsequently sold by a shareholder will be deducted first from the non-participating shares and the balance from the participating shares. For example, let's say you own 1,000 shares and have nominated 500 shares for participation in the DRP. A future sale of, say, 400 shares will result in you then holding:

- 500 shares which continue to participate in the DRP; and
- 100 shares which do not participate in the DRP.

## Records

To assist shareholders to keep a record of the number of shares they have participating in the Plan, shareholders will be sent a statement after each Allocation.

Should a dividend payment to any shareholder not equate to any exact number of shares, shares will be allocated to the next lowest number. The unutilised balance of the dividend will be held for the shareholder and applied to the shareholder's next dividend reinvestment Allocation.

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## What about Tax?

The Company does not, and cannot, provide taxation advice to shareholders and does not accept any responsibility for any interpretation of, or applications by, shareholders of the general information set out below. You should contact your professional tax adviser for more information to confirm your tax position in relation to both the assessability of the dividend and the tax treatment applicable to you on ultimate disposal of the shares.

For Australian resident shareholders broadly, dividends paid in the form of shares under the Plan should be treated in the same way in the hands of shareholders as dividends received in cash for Australian tax purposes, and will carry franking credits to the extent to which the dividend is franked by Blackmores.

Simplistically, you will still be subject to an income tax obligation in respect of your full dividend entitlement, regardless of whether you reinvest that dividend entitlement in shares under the DRP.

Shares acquired under the Plan by Australian resident shareholders may be subject to either income tax or capital gains tax when sold depending on individual circumstances. Broadly, for capital gains tax purposes, shares acquired under the DRP will have a cost base equal to the amount of the dividend reinvested divided by the number of shares acquired with that dividend.

Overseas residents are strongly advised to make their own enquires regarding their tax liability, both in Australia and in their place of residence.

## Plan Rules

The terms and conditions of the DRP are set out in the Plan Rules, a copy of which is included in the next section of the booklet. This section of the booklet is only a summary of some of the features of the DRP and the Plan Rules. Nothing in this section of the booklet or the Dividend Reinvestment Plan Election Form is intended to modify or otherwise affect the Plan Rules.

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## Questions & Answers

### **Q: What do I have to do to participate in the Dividend Reinvestment Plan?**

**A:** You may elect to participate in the Dividend Reinvestment Plan (DRP or Plan) in respect of all or a specified number of your shares by completing an Election Form and returning it to the Share Registrar. You will then have the right to participate in the Plan. If you do not make an election, your dividends will be paid in cash.

### **Q: Who can participate in the DRP?**

**A:** Subject to the Plan Rules, participation in the Plan is open to all shareholders. The Plan does not extend to any shareholder who is resident of a country the laws of which restrict or do not permit participation in the Plan or similar plan.

### **Q: How does the DRP work?**

**A:** If you choose to participate in the DRP, cash dividends otherwise payable on your shares that participate in the DRP will be applied in acquiring additional shares (either by the Company issuing new shares or transferring shares acquired in the market) on your behalf. If any withholding tax is payable in respect of the dividend, or there is any other amount which the Company must retain (for example, if you do not quote a tax file number and the dividend is partly or fully unfranked), these amounts will be deducted from the dividend and only the balance will be applied in subscribing for shares.

### **Q: Is participation optional?**

**A:** Yes. The decision is entirely yours.

### **Q: Can I participate partially in the DRP?**

**A:** Yes, by nominating a specific number of your shares, part of your dividend may be reinvested in additional shares. Your dividend entitlement on any shares not participating in the DRP will be paid in cash.

### **Q: What is the issue or transfer price per share?**

**A:** Shares will be issued or transferred to you under the DRP at the Average Market Price (which is defined in the Plan Rules) for the period designated for pricing shares issued or transferred under the DRP. The Average Market Price may be reduced by a discount to be determined by the Blackmores Board from time to time and

# Questions & Answers

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announced to the market. Since the period for determining the Average Market Price will usually commence after the deadline for the receipt of the DRP Election Form, this price will usually not be known at the time by which you will need to decide whether you will be participating in the DRP for the dividend in question. You will however, know if any discount is to be applied.

## Q: What will it cost me to participate?

**A:** You will not be charged brokerage fees or commission for any allotment of shares under the DRP and there are no direct on-going costs of participating in the DRP.

## Q: Can I change my participation at any time?

**A:** Yes, simply by notifying the Company's Share Registry using the DRP Election Form. The change to your participation will be effective from the next dividend payment if the notification is received by 5pm Australian Eastern Time (or other such time as set by the Blackmores Board) on the business day after the Record Date for that dividend.

## Q: Is there any difference between the shares issued or transferred under the DRP and ordinary shares?

**A:** No, shares issued or transferred under the DRP will rank equally with existing shares and participate in all dividends subsequently declared.

## Q: Can I sell my shares when I choose?

**A:** Yes, you can sell any or all of your shares at any time.

If you have elected to participate in the DRP in respect of a specified number of the shares registered in your name and subsequently sell a parcel of shares, those shares that do not participate in the DRP will be deemed to have been sold first. In this way your participation in the Plan will be maintained at the maximum level.

## Q: What happens if I acquire more shares?

**A:** If you have elected to participate in the DRP in respect of all of the shares registered in your name, all additional shares acquired in the future will be deemed to participate in the DRP. If you have elected to participate in the DRP in respect of a specified number of the shares registered in your name, shares in excess of the specified number subsequently acquired through shares issued under the DRP or otherwise will not participate in the DRP.

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## Questions & Answers

### Q: What about taxation?

**A:** Usually, dividends reinvested in shares are treated the same as cash dividends for Australian tax purposes. However, the Company cannot give you tax advice and you should obtain your own professional tax advice if you are in any doubt.

Neither the Company nor any of its officers or advisers accepts any liability or responsibility for your taxation liabilities if you elect to participate in the DRP.

### Q: When will I receive a statement?

**A:** If you choose to participate in the DRP, a statement will be forwarded to you after each dividend showing various details including:

- the number of participating shares held at the Record Date for the dividend;
- the amount of the latest dividend in respect of these shares;
- the number of shares allotted under this dividend and the issue price;
- the new total holding of shares, including shares issued to you under the DRP.

### Q: Can the DRP be modified or cancelled?

**A:** The Company's Directors may alter, suspend or terminate the DRP at any time.

### Q: Any questions?

**A:** If you have any questions about the operation of the DRP, your participation in the DRP or the payment of dividends under the DRP, please contact the Company's Share Registrar, Computershare Investor Services (within Australia) 1300 855 080 (outside Australia) 61 3 9415 4062.



# Blackmores Dividend Reinvestment Plan Rules

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## 1. DEFINITIONS AND INTERPRETATION

### 1.1 In these Rules, unless the context requires otherwise:

**“Allocation”** means:

- (a) the issue of new Shares to Participants under the DRP; or
- (b) the transfer of Shares acquired for the purposes of the DRP to Participants under the DRP,

as the case may be.

**“Allocation Price”** means the price at which Shares will be allocated under the DRP as calculated in accordance with Rule 4.4.

**“Average Market Price”** for a period means the arithmetic average of the daily volume weighted average sale price per Share (calculated to the nearest whole cent) of all Shares traded on the ASX (or such alternative or additional trading platforms such as Chi-X, as the Board may determine from time to time) during the period but excluding any trades that the Board considers may not be fairly reflective of natural supply and demand.

For the avoidance of doubt, the calculation of the Average Market Price will disregard any crossings which occur off market (including, for example, any transaction described in the ASX Operating Rules as a ‘special crossing’, crossings with price improvement which occur off market, crossings prior to the commencement of normal trading, crossings during the closing phase and the after-hours adjust phase and any overnight crossings), and any overseas trades or trades pursuant to the exercise of options over Shares.

The calculation may be made by the Board or a qualified person nominated by the Board, and may be determined by reference to such information as the Board approve for the purpose from time to time, and, in the absence of manifest error, is binding on Participants.

**“ASX”** means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange as appropriate.

**“Blackmores”** means Blackmores Limited ABN 35 009 713 437.

**“Board”** means the board of Blackmores.

**“Business Day”** has the meaning given to it in the Listing Rules.

**“Chi-X”** means Chi-X Australia Pty Ltd (ABN 47 129 584 667) or the financial market operated by Chi-X Australia Pty Ltd (as the case may be).

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## Blackmores Dividend Reinvestment Plan Rules

**“Discount”** means such percentage discount (if any) determined by the Board from time to time to be applied in calculating the Allocation Price.

**“Dividend”** means any cash payment per Share announced and payable by Blackmores.

**“Dividend Record Date”** means the time and date, as determined by the Board, at which a person holds or is taken to hold Shares for the purpose of determining the entitlement to the payment of a Dividend.

**“DRP”** or **“Plan”** means the Blackmores dividend reinvestment plan to which these Rules apply, as varied from time to time.

**“Election Form”** means the Election Form available on the website.

**“Listing Rules”** means the listing rules of the ASX that are applicable while Blackmores is admitted to the Official List of the Exchange.

**“Participant”** means any Shareholder who participates in the DRP.

**“Plan Account”** means the DRP account for each Participant as described in Rule 13.4.

**“Pricing Period”** means, for the purpose of calculating the Allocation Price under Rule 4.4, a period of no less than 5 Trading Days (as determined by the Board) commencing on the first Trading Day following the Dividend Record Date (or such other commencement date or pricing period as the Board may determine and announce to the ASX from time to time).

**“Record Date”** means the date on which the Company’s register of Shareholders is closed in order to determine entitlement to a Dividend.

**“Rules”** means these rules of the DRP as varied from time to time.

**“Share Registrar”** means Computershare Investor Services Pty Limited, Level 3, 60 Carrington Street, Sydney, NSW 2000 or any other share registry that maintains the Share register of Blackmores as advised to Shareholders.

**“Shareholder”** means any person, company or other entity registered as a holder of Shares in Blackmores Limited and who is not subject to lawful restriction or prohibition from participating in the DRP.

**“Shares”** means fully paid ordinary shares in the capital of Blackmores.

# Blackmores Dividend Reinvestment Plan Rules

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**“Trading Day”** means a full day on which the Shares are quoted, and not suspended from quotation or made subject to a trading halt, on ASX, provided that a day on which ASX is closed or on which trading on ASX is suspended is not a Trading Day.

## 2. PARTICIPATION

**2.1 Participation by Shareholders is optional and not transferable. Application to participate in the DRP must be made on an Election Form. An Election Form lodged pursuant to this Plan may be varied or terminated by a Participant at any time.**

**2.2 Upon receipt by the Share Registrar of an appropriately completed and executed Election Form that Shareholder participation will commence from:**

- (a) that Dividend Record Date if the Election Form is received by 5.00pm Australian Eastern Time (or such other time set by the Board) on the Business Day after the Record Date for a Dividend, or
- (b) otherwise, the next Dividend Record Date.

## 3. DEGREE OF PARTICIPATION

**3.1 Participation may be either:**

- (a) full participation, which will apply to Dividends on all the Participant’s ordinary Shares in Blackmores from time to time; or
- (b) partial participation, which will apply to the total from time to time of the number of ordinary Shares specified in the Election Form by the Participant, unless at the relevant Record Date the number of Shares held by the Participant is less than that so specified in which event the provisions of this Plan shall apply only in respect of the Shares held.

**3.2 A signed Election Form which does not specify the degree of participation shall be deemed to be a request for full participation in relation to the DRP.**

## 4. OPERATION OF THE PLAN

**4.1 The amount of each Dividend payable to a Participant on ordinary Shares subject to the DRP (less withholding tax if applicable) will be applied by Blackmores on the Participant’s behalf in acquiring additional fully paid ordinary Shares either by issue or by transfer in accordance with this DRP.**

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## Blackmores Dividend Reinvestment Plan Rules

**4.2 By applying to participate in the DRP, a Participant agrees to be bound by the Constitution of Blackmores in respect of all Shares allocated to the Participant under the DRP.**

**4.3 Blackmores will establish and maintain a Plan Account for each Participant. For each Dividend payment on Shares subject to the DRP, Blackmores will for each Participant:**

- (a) Determine any cash balance remaining from previous Dividend payments and held to the credit of the Participant's Plan Account.
- (b) Determine the amount of Dividend payable to the Participant under the DRP.
- (c) Determine (where applicable) the Australian withholding tax in respect of that Dividend deducted therefrom.
- (d) Credit amount (b) and debit the applicable withholding tax (c) to the Participant's Plan Account.
- (e) Determine the maximum number of fully paid ordinary Shares to be allocated at the Allocation Price at which fully paid ordinary Shares are to be either issued or acquired in the market for transfer (or undertake a combination of both options) to satisfy Blackmores' obligations under this DRP. If Blackmores determined to cause the transfer of Shares to Participants those Shares may be acquired in the market in such manner as Blackmores considers appropriate.
- (f) On behalf of and in the name of the Participant, allocate that number of additional fully paid ordinary Shares and debit the Participant's Plan Account with the total of the price for the Allocated Shares.
- (g) Allocate that number of additional fully paid ordinary Shares to the Participant within the time required by ASX.
- (h) Retain in the Participant's Plan Account, without interest, any cash balance remaining to be used in the calculations for determining the maximum number of fully paid ordinary Shares to be issued under the at the payment of the next relevant Dividend.

**4.4 Shares are Allocated under the DRP at the Allocation Price. The Allocation Price for each Share is the Average Market Price for the Pricing Period less the Discount (if any), rounded down to the nearest full cent. The determination by Blackmores of the Allocation Price will be binding on all Participants.**

# Blackmores Dividend Reinvestment Plan Rules

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## 5. FULLY PAID ORDINARY SHARES ALLOCATED UNDER THE PLAN

Shares allocated under the Plan will from the date of Allocation rank equally with existing fully paid Shares in Blackmores, have full Dividend rights and will rank for all Dividends declared on Shares thereafter.

## 6. VARIATION OR TERMINATION OF PARTICIPATION

**6.1 A Participant may at any time complete, sign and return to the Share Registrar a further Election Form for the purpose of:**

- (a) increasing or decreasing, as applicable, the number of Shares participating in the Plan: or
- (b) terminating participation in the Plan,

which shall take effect in accordance with Rule 11.

**6.2 If a Participant who is a person dies or becomes bankrupt or if a company is liquidated, the participation of the Participant in the Plan will be terminated upon receipt by Blackmores of a proper notice of death or bankruptcy or liquidation as the case may be.**

**6.3 Where a Participant disposes of all or part of the Shares then held by the Participant, the Shares disposed of shall be deemed to be ordinary Shares not participating in the Plan.**

**6.4 A participant terminating from the Plan will have any residual cash balances paid out at the next final Dividend.**

## 7. PLAN STATEMENTS

Blackmores shall send to each Participant a statement for each Dividend payment providing full details of the Participant's transactions in the Plan.

## 8. COST TO PARTICIPANTS

No brokerage, stamp duty or other transaction costs will be payable by Participants in respect of Shares allocated.

## 9. STOCK EXCHANGE LISTING

Blackmores will promptly make application for any new Shares allocated under the Plan to be listed on the official list of the ASX.

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# Blackmores Dividend Reinvestment Plan Rules

## 10. FOREIGN SHAREHOLDERS

The Plan does not extend to any shareholder who is resident of a country the laws of which restrict or do not permit participation in the DRP or similar plan.

## 11. CLOSING TIME

### 11.1 To be effective for the next Dividend, signed Election Forms duly completed:

(a) must be received by the Share Registrar by 5.00pm Australian Eastern Time (or other such time set by the Board) on the Business Day after the Dividend Record Date, and

(b) be accepted by Blackmores,

and shall be subject to these Rules.

**11.2 Election Forms received after the date and time in Rule 11.1 will not be effective for that Dividend payment, but will be effective commencing on the next relevant Dividend Record Date.**

## 12. MODIFICATION AND TERMINATION OF THE PLAN

**12.1 The Plan may be modified, suspended or terminated by Blackmores at any time by giving not less than one month prior notice to all ordinary Shareholders.**

**12.2 In the case of modification, existing Participants will be deemed to continue under the modified Plan unless and until Blackmores is notified to the contrary by a further Election Form completed and signed by the Shareholder.**

**12.3 In the case of termination, Blackmores will add any residual cash balance standing to the account of the Participants to the next final Dividend payable.**

## 13. GENERAL

### 13.1 Neither Blackmores nor its directors, officers, employees, representatives or agents:

(a) take any responsibility or assume any liability for, or as a consequence of, the taxation liabilities of Participants; or

(b) represent or warrant that a Participant will gain any taxation advantage, or will not incur a taxation liability or disadvantage, as a result of participation in the Plan.

# Blackmores Dividend Reinvestment Plan Rules

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**13.2 Blackmores reserves the right to waive strict compliance with any of the provisions of these Rules.**

**13.3 If a Participant has more than 1 holding of Shares and wishes to participate in the Plan with respect to 1 or more such holdings, an Election Form must be lodged with respect to each separate shareholding that is to participate.**

**13.4 Blackmores will record in the Plan Account for each Participant:**

(a) the name and address of the Participant (being the name and address in Blackmores' register of members, from time to time); and

(b) the number of participating Shares held by the Participant from time to time.

**13.5 Blackmores' records are conclusive evidence of the matters recorded in them.**

**13.6 Any Dividend payable on Shares which Dividend the directors of Blackmores are entitled to retain or over which Blackmores otherwise has a lien or charge in accordance the Constitution of Blackmores or otherwise, shall not be available for the purposes of participating in the Plan.**

**13.7 Shares issued in accordance with or held under any incentive plan, employee share plan or other similar plan established by Blackmores the terms of which exclude participation in this Plan are excluded from the operation of this Plan.**

**13.8 The directors of Blackmores may settle in the manner they think fit any difficulty, anomaly or dispute 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 Share or Shares and the determination of the directors of Blackmores will be conclusive and binding on all Participants and other persons and other persons to whom the determination relates.**