

# What is the difference between the Bonus Share Plan and the Dividend Reinvestment Plan?

**Shareholders should consult their stockbroker, accountant or other professional adviser if they have any questions, or before they make any decisions regarding participation in the Bonus Share Plan (“BSP”).**

## **WHAT IS THE MFF BSP?**

The BSP enables eligible holders to increase their MFF shareholding by forgoing all or part of the dividends payable on their MFF ordinary shares and receiving bonus MFF ordinary shares instead. Participation is optional and non-transferrable.

## **WHY PARTICIPATE?**

Participants do not pay brokerage, commission or other transaction costs on MFF ordinary shares which are issued under the BSP and, presently, no stamp or other transaction duties are payable by BSP participants. All MFF ordinary shares issued under the BSP rank equally with all other fully paid MFF ordinary shares on issue from the date of issue.

There is no fee to participate in the BSP.

Shareholders should consult their stockbroker, accountant or other professional adviser to determine if BSP participation is suitable for them taking into account their own objectives, financial situation or needs.

## **HOW DOES THE BSP INTERACT WITH MFF’S DIVIDEND REINVESTMENT PLAN (“DRP”)?**

MFF also has a DRP. If you make an election to participate in the BSP and also an election to participate in MFF’s DRP, the BSP election will have priority over the DRP Election to the extent of any overlap.

### **IMPORTANT in respect of how the BSP interacts with the DRP**

If you participate in the BSP and wish to participate in the DRP instead, you will need to ensure that your BSP election is terminated first. If you wish to participate partially in both the DRP and the BSP, you must ensure that your DRP and BSP elections are each for the correct number of MFF ordinary shares and that there is no overlap.

If you elect partial participation in both the BSP and the DRP for MFF shares in your account, and then you subsequently sell some of your shares, your shares will be sold in the order as specified under rule 5.5 of the BSP Rules, and rule 5.5 of the DRP Rules.

Shareholders should consult their stockbroker, accountant or other professional adviser if they have any questions as to how the BSP interacts with the DRP.

## **WHAT ARE THE TAX IMPLICATIONS OF BSP PARTICIPATION?**

The Company cannot advise on the taxation implications of participating in the BSP. If a participant has any questions regarding the taxation implications of the BSP, they should consult their stockbroker, accountant or other professional adviser.

The BSP provides for participants to elect not to receive a dividend in respect of all or some of their shares but to receive instead additional fully paid shares issued as bonus shares to the equivalent value of the dividend forgone. The Company understands for Australian residents that bonus shares issued under the BSP should not be dividends and therefore such bonus shares should not, generally, be subject to Australian income tax or dividend withholding tax. As the bonus shares are not dividends, no franking credit is attached to the dividend under the dividend imputation system.

For Australian resident individual participants who hold their shares on capital account, the participants are generally subject to Australian tax on any capital gain made when the bonus shares are disposed of. To calculate

any capital gain (or capital loss), the cost base of the bonus shares is calculated by apportioning the cost of the original shares over both the bonus shares and the original shares to which they relate.

BSP statements are sent to participants shortly after the payment date of each dividend showing details of the calculation and participation.

Neither the Company nor any of its officers, employees, representatives or agents:

(a) take any responsibility or assume any liability for, or as a consequence of, the tax liabilities of any person in connection with the BSP; or

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