



**BKI INVESTMENT
COMPANY LIMITED**

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10 July 2014

ASX Announcement

BKI Investment Company Limited – Share Purchase Plan

As announced on Thursday, 3 July 2014, the Directors are pleased to offer eligible BKI Investment Company Limited (**BKI**) shareholders the opportunity to participate in the BKI Share Purchase Plan (**SPP**).

Details of the SPP are contained in the Offer Booklet. The Offer Booklet and an application form are being mailed to eligible BKI shareholders today.

Applications for shares under the SPP open today and close at 7.00pm (AEST) on Thursday, 31 July 2014.

If you have any questions after reading the SPP Offer Booklet you should contact BKI's SPP Information Line on: **1800 828 558 (in Australia) or +61 1800 828 558 (outside of Australia)**.

IMPORTANT NOTICE

*This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer, invitation or recommendation to subscribe for or purchase any securities and neither this announcement nor anything contained in it shall form the basis of any contract or commitment. In particular, this announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 (as amended) (**US Securities Act**) or the securities laws of any state of the United States and may not be offered, sold or otherwise transferred in the United States or to, or for the account of, any U.S. Person (as defined in Regulation S under the US Securities Act) except in accordance with an available exemption from, or a transaction not subject to, the registration requirements under the US Securities Act and any other applicable US state securities laws.*



Financial Adviser



Legal Adviser

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Share Purchase Plan Offer Booklet

BKI Investment Company Limited (ASX code: BKI)

If you have any questions after reading this document you should contact BKI's SPP Information Line on: 1800 828 558 (in Australia) or +61 1800 828 558 (outside of Australia).

The Share Purchase Plan allows eligible BKI shareholders the opportunity to subscribe for up to \$15,000 worth of new, fully paid, ordinary shares in BKI, without incurring brokerage or other transaction costs.

All shares issued under the SPP will rank equally with existing Shares and will be entitled to receive the 2014 final dividend which is expected to be at least 3.45 cents per Share fully franked. It is anticipated that the final dividend will be paid in August 2014.

YOU SHOULD READ THIS DOCUMENT IN FULL

This Booklet contains important information. You should read this Booklet in full and seek advice from your stockbroker, accountant or other professional adviser if you have any questions about your investment in BKI or about the impact of the transactions described in this Booklet. This Booklet does not provide financial advice and has been prepared without taking into account your particular objectives, financial situation or needs.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO U.S. PERSONS



IMPORTANT INFORMATION

This Booklet does not provide financial advice and has been prepared without taking account of any person's investment objectives, financial situation or particular needs. You should consider the appropriateness of participating in the SPP having regard to your investment objectives, financial situation or particular needs. Shareholders should seek independent financial and taxation advice before making any investment decision in relation to these matters.

The offer of SPP Shares is made in accordance with ASIC Class Order 09/425 which grants relief from the requirement to issue a disclosure document for the SPP.

You should be aware that the market price of Shares may rise or fall between the date that the SPP opens and the date that the SPP Shares are issued to you under the SPP. Please refer to section 5 of the Terms and Conditions of the SPP for details of how the Issue Price will be determined by reference to the market price of BKI Shares.

The laws of some countries prohibit or make impracticable participation in the SPP by certain overseas BKI shareholders. Unfortunately shareholders whose address on the Register is not in Australia or New Zealand will not be able to participate in the SPP. The SPP does not constitute an offer of shares for sale in any other jurisdiction.

New Zealand

The SPP Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of BKI at the Record Date with registered addresses in New Zealand to whom the offer of SPP Shares is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This Booklet has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand). This Booklet is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all

the information that an investment statement or prospectus under New Zealand law is required to contain.

United States

This Booklet may not be released or distributed in the United States. The SPP Shares have not been and will not be registered under the US Securities Act or the securities laws of any other state of the United States. The SPP Shares may not be offered, sold or otherwise transferred in the United States except in accordance with an available exemption from, or a transaction not subject to, the registration requirements under the Securities Act and other applicable US state securities laws.

Key dates*

Record Date (the date that eligibility to participate in the SPP is determined)	7.00pm (AEST) on Wednesday, 2 July 2014
Opening Date	Thursday, 10 July 2014
Closing Date	7.00pm (AEST) Thursday, 31 July 2014
Issue Price Announced to ASX	After close of market on Thursday, 7 August 2014
Issue of SPP Shares	Friday, 8 August 2014
SPP Shares commence trading on ASX	Monday, 11 August 2014
SPP Shares holding statements despatched	Tuesday, 12 August 2014

* BKI reserves the right to vary these times and dates in its absolute discretion.

10 July 2014

Chairman's Letter

Dear Shareholder,

On behalf of the Directors, I am pleased to offer you the opportunity to participate in BKI Investment Company Limited's (**BKI**) Share Purchase Plan (**SPP**) which was announced on Thursday, 3 July 2014. The SPP allows eligible BKI shareholders the opportunity to subscribe for up to \$15,000 worth of new, fully paid, ordinary shares in BKI (**SPP Shares**), without incurring brokerage or other transaction costs.

The purpose of the SPP is to provide BKI with additional funds to increase its investment portfolio.

The SPP gives you the chance to increase your holding of ordinary, fully paid shares in BKI (**Shares**), without paying brokerage.

The SPP issue price will be the lower of \$1.655¹ or a 0.25% discount to the volume weighted average price (**VWAP**) of BKI shares traded on the Australian Securities Exchange (**ASX**) over the 5 trading days prior to the day the SPP Shares are issued under the SPP. Therefore, the maximum price that Eligible Shareholders will pay is \$1.655 per SPP Share.

All SPP Shares will rank equally with existing Shares and will be entitled to receive the 2014 final dividend which is expected to be at least 3.45 cents per Share fully franked. It is anticipated that the final dividend will be paid in August 2014.

Under the SPP, eligible BKI shareholders may elect to apply for up to \$15,000 worth of SPP Shares. The minimum application under the SPP is \$2,500. Applications under the SPP can only be made for one of the following amounts:

- › \$2,500;
- › \$5,000;
- › \$7,500;
- › \$10,000;
- › \$12,500; or
- › \$15,000.

BKI does not intend to scale back any applications under the SPP unless required to in order to comply with the ASX Listing Rules.

Participation in the SPP is optional and open to BKI shareholders who are holders of Shares at 7.00pm (AEST) on Wednesday, 2 July 2014 (the **Record Date**) and whose address on the Register is in Australia or New Zealand, provided that such shareholder is not in the United States or acting for the account or benefit of a U.S. Person (**Eligible Shareholders**). Eligible Shareholders who are custodians for certain eligible beneficiaries will also be invited to participate in the SPP on the terms and conditions set out in this Booklet.

¹ Calculated by applying a 0.25% discount to the VWAP of BKI Shares traded on ASX over the 5 trading days up to and including the Record Date (i.e. Thursday, 26 June 2014 to Wednesday, 2 July 2014), rounded to the nearest half cent.

Your right to participate in the SPP is not transferable.

The terms and conditions of the SPP are provided in this booklet (**Booklet**). Also enclosed is a personalised application form (**Application Form**). I urge you to read these materials in their entirety and seek your own financial and taxation advice in relation to the SPP, before you decide whether to participate.

The SPP opens on Thursday, 10 July 2014 and is expected to close at 7.00pm (AEST) on Thursday, 31 July 2014.

To apply for SPP Shares, you must either:

- › complete and return the Application Form, together with payment via cheque; or
- › make a payment directly via Bpay (you do not need to return an Application Form under this option).

If you have any questions on how to participate in the SPP, please contact BKI's SPP Information Line on **1800 828 558 (in Australia) or +61 1800 828 558 (outside of Australia)** or consult your financial or other professional adviser. If you have any questions in relation to whether an investment in BKI through the SPP is appropriate for you, please contact your stockbroker, accountant or other professional adviser.

On behalf of the Board, I invite you to consider participating in the SPP and thank you for your ongoing support of BKI.

Yours sincerely



Robert Millner
Chairman

Key SPP information

You should read this section in conjunction with the attached Terms and Conditions of the SPP.

1. What is the Share Purchase Plan or SPP?

The SPP is a way in which Eligible Shareholders of BKI may subscribe for up to \$15,000 worth of SPP Shares without incurring brokerage or other transaction costs.

2. Do I have to participate in the SPP?

No. Participation in the SPP is entirely voluntary.

Before you decide whether to participate in the SPP, BKI recommends you seek independent financial and taxation advice from your stockbroker, accountant or other professional adviser.

If you do not wish to participate in the SPP, do nothing.

3. What is the Issue Price of the SPP Shares?

The SPP issue price will be the lower of:

- a) \$1.655 which is a 0.25% discount to the VWAP of BKI Shares traded on ASX over the 5 trading days up to and including the Record Date (i.e. Thursday, 26 June 2014 to Wednesday, 2 July 2014), rounded to the nearest half cent; or
- b) a 0.25% discount to the VWAP of BKI Shares traded on ASX over the 5 trading days prior to the day the SPP Shares are issued under the SPP (i.e. Friday, 1 August 2014 to Thursday, 7 August 2014), rounded to the nearest half cent.

Therefore the maximum price that Eligible Shareholders will pay is \$1.655 per SPP Share.

The market price of Shares may rise or fall between the date of this Booklet and the time of issue of SPP Shares.

The number of SPP Shares issued to an applicant will be determined by dividing the value of the SPP Shares applied for by the Issue Price. If this calculation produces a fractional number, the number of SPP Shares issued will be rounded up to the nearest whole SPP Share.

Your application is unconditional and may not be withdrawn even if the market price of Shares is less than the Issue Price.

4. When will I be notified of the Issue Price?

BKI will announce the Issue Price to the ASX after close of market on Thursday, 7 August 2014.

You can view all BKI's announcements at www.bkilimited.com.au or www.asx.com.au.

Holding statements containing details of the number of SPP Shares issued to you and the Issue Price will be despatched on or around Tuesday, 12 August 2014.

5. Who is eligible to participate in the SPP?

Shareholders are eligible to participate in the SPP if they are registered holders of Shares at 7.00pm (AEST) on Wednesday, 2 July 2014 with a registered address in either Australia or New Zealand, provided that such shareholder is not in the United States, or acting for the account or benefit of a U.S. Person.

The SPP is also being offered to Eligible Shareholders who are custodians or nominees (**Custodians**) of certain eligible beneficiaries on the terms and conditions provided in this Booklet.

BKI has determined that it is not practical for holders of Shares with addresses on the Register in other jurisdictions to participate in the SPP.

6. How much can I invest?

Under the SPP, Eligible Shareholders may apply for a parcel of SPP Shares up to a maximum of \$15,000. The offer under the SPP needs to comply with the relief issued by the Australian Securities and Investments Commission (**ASIC**). Under that relief, Eligible Shareholders may only acquire up to a maximum of \$15,000 of SPP Shares under the SPP in any 12 month period (except in certain circumstances described in the terms and conditions of the SPP).

The minimum application under the SPP is \$2,500. Applications under the SPP can only be made for one of the following amounts (subject to a discretionary scale back described further below):

- › \$2,500;
- › \$5,000;
- › \$7,500;
- › \$10,000;
- › \$12,500; or
- › \$15,000.

In the absence of a scale back, the number of SPP Shares issued to an applicant will be rounded up to the nearest whole number after dividing the application monies by the Issue Price. BKI does not intend to scale back any applications under the SPP unless required to in order to comply with the ASX Listing Rules.

7. Can my offer under the SPP be transferred to a third party?

No. The offer is non-renounceable and cannot be transferred.

8. How do I apply for SPP Shares?

If you wish to participate in the SPP, you need to do one of the following.

Option 1: Pay by Cheque

Please complete the enclosed Application Form and return it with your cheque made payable to **BKI Investment Company Limited – SPP**, drawn on an Australian financial institution and crossed 'Not Negotiable' in the enclosed reply paid envelope to:

Advanced Share Registry Services

PO Box 1156
Nedlands WA 6909

Your completed Application Form and cheque must be received by the Registry prior to the close of the SPP Offer at 7.00pm (AEST) on Thursday, 31 July 2014. Shareholders in New Zealand will need to apply in Australian dollars and affix the appropriate postage to the reply paid envelope.

Option 2: Pay via Bpay®

To pay via Bpay you will need to:

- › be an account holder with an Australian financial institution;
- › use the personalised reference number shown on your Application Form which is required to identify your shareholding; and
- › ensure that your payment is received by the Registry before 7.00pm (AEST) on Thursday, 31 July 2014.

You can only make payment via Bpay if you are the holder of an account with an Australian financial institution that supports Bpay transactions.

If you are paying via Bpay there is no need to return the Application Form but you will be taken to have made the statements and certifications that are set out in the Application Form.

9. What will the proceeds under the SPP be used for?

The funds will be used to pursue the objective of increasing liquidity, lowering the MER and continuing to deliver on our investment strategy by investing for the long term in profitable, high income producing and well managed companies.

10. What are the key dates for the SPP?

Record Date (date that eligibility to participate in the SPP is determined)	7.00pm (AEST) on Wednesday, 2 July 2014
Opening Date	Thursday, 10 July 2014
Closing Date	7.00 pm (AEST) Thursday, 31 July 2014
Issue Price Announced to ASX	After close of market on Thursday, 7 August 2014
Issue of SPP Shares	Friday, 8 August 2014
SPP Shares commence trading on ASX	Monday, 11 August 2014
SPP Share holding statements despatched	Tuesday, 12 August 2014

BKI reserves the right to vary these times and dates in its absolute discretion.

11. What are the rights attached to SPP Shares issued under the SPP?

SPP Shares will rank equally with other Shares as at the date of issue.

12. Will the SPP Shares be eligible for the dividend detailed in BKI's ASX announcement of 3 July 2014?

Yes. All SPP Shares will be eligible to receive the final dividend for the year ended 30 June 2014 which is expected to be at least 3.45 cents per Share fully franked. It is anticipated that the dividend will be paid in August 2014.

13. What do I do if I am a Custodian?

The SPP is being extended to Eligible Shareholders who are Custodians and who wish to apply for SPP Shares on behalf of a person for whom that Custodian held Shares on behalf of that person on the Record Date and who is not, or is not acting for the account or benefit of any U.S. Person (**Eligible Beneficiary**).

The SPP is being offered to Custodians as the registered shareholder. Custodians are not required to participate on behalf of their Eligible Beneficiaries. Custodians may choose whether or not to extend the SPP to their Eligible Beneficiaries.

If you wish to apply as a Custodian under the SPP to receive SPP Shares for one or more Eligible Beneficiaries, you must complete and submit an additional Custodian Certificate that contains further certifications and details (as required under the terms of ASIC Class Order 09/425) before your application will be accepted. Applications by Custodians that are not accompanied by a duly completed Custodian Certificate will be rejected.

The Custodian Certificate can be obtained by contacting BKI's SPP Information Line on: 1800 828 558 (in Australia) or +61 1800 828 558 (outside of Australia).

By applying as a Custodian on behalf of Eligible Beneficiaries to purchase SPP Shares, you certify (amongst other things) for each Eligible Beneficiary that the application price for the SPP Shares applied for on their behalf, and any other Shares applied for on their behalf under a similar arrangement in the previous 12 months has not exceeded \$15,000.

Each Custodian must not participate in the SPP on behalf of, and must not distribute this Booklet or any documents relating to this SPP, to any U.S. Person.

14. Will I receive notification of my issue?

Yes. The Registry will send you a holding statement on or around Tuesday, 12 August 2014 which will include details of the number of SPP Shares issued to you, your total holding of Shares and the Issue Price of the SPP Shares.

15. Where can I get more information on the SPP?

If you have any questions in relation to how to participate in the SPP, please contact BKI's SPP Information Line on **1800 828 558 (in Australia) or +61 1800 828 558 (outside of Australia)** or consult your financial or other professional adviser. If you have any questions in relation to whether an investment in BKI through the SPP is appropriate for you, please contact your stockbroker, accountant or other professional adviser.

Terms and conditions of the SPP

Important Notice: If you participate in the SPP by completing and returning the Application Form or by making a payment by Bpay, you are accepting the risk that the market price of Shares may change between the Record Date, the date on which you send in the Application Form or make a payment by Bpay and the date the SPP Shares are issued (**Issue Date**).

Set out below are the terms and conditions of the BKI SPP.

Please read these terms and conditions carefully, as you will be bound by them in participating in the SPP. Shareholders accepting the offer to participate in the SPP will also be bound by the constitution of BKI.

Capitalised terms used in these terms and conditions are either defined in the body of these terms and conditions or specifically in the Glossary below.

The Key SPP Information section of this Booklet and the Application Form forms part of these terms and conditions.

1. OFFER

- 1.1 BKI offers each Eligible Shareholder the opportunity to purchase up to \$15,000 worth of SPP Shares under the SPP subject to and in accordance with the terms and conditions set out below.
- 1.2 In these terms and conditions, the '**SPP Offer**' means the offer in clause 1.1.
- 1.3 The SPP Offer opens on Thursday, 10 July 2014 and closes at 7.00pm (AEST) on Thursday, 31 July 2014.
- 1.4 If you choose not to participate in the SPP, your right to participate lapses at 7.00pm (AEST) on Thursday, 31 July 2014 (or such other date as BKI determines).
- 1.5 The SPP Offer is non-renounceable and non-transferable and, therefore, Eligible Shareholders cannot transfer their right to purchase SPP Shares to a third party.
- 1.6 The SPP Offer to each Eligible Shareholder (whether as a Custodian or on its own account) is made on the same terms and conditions.
- 1.7 All references to \$ or dollars in this Booklet are references to Australian dollars unless otherwise indicated.

2. ELIGIBLE SHAREHOLDERS

- 2.1 You are eligible to participate in the SPP Offer if you:
 - (a) were registered on the Register as a holder of Shares (**Shareholder**) at 7.00pm (AEST) on Wednesday, 2 July 2014;
 - (b) had an address on the Register in either Australia or New Zealand at that time; and
 - (c) are not in the United States and are not acting for the account or benefit of a U.S. Person.
- 2.2 The SPP Offer is not made to Shareholders with an address on the Register outside of Australia or New Zealand.

3. JOINT HOLDERS/CUSTODIANS

- 3.1 If two or more persons are registered on the Register as jointly holding Shares, they are taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder and a certification given by any of them is taken to be a certification given by all of them.

- 3.2 Subject to these terms and conditions, Eligible Shareholders who are Custodians may participate in the SPP on behalf of each Eligible Beneficiary on whose behalf the Custodian is holding Shares.

4. APPLICATIONS FOR SPP SHARES

- 4.1 The minimum application amount under the SPP Offer is \$2,500.
- 4.2 Applications under the SPP Offer may only be made for one of the following amounts (subject to the discretionary scale back described in clause 9):

- › \$2,500;
- › \$5,000;
- › \$7,500;
- › \$10,000;
- › \$12,500; or
- › \$15,000.

BKI does not intend to scale back any applications under the SPP unless required to in order to comply with the ASX Listing Rules.

- 4.3 No brokerage or other transaction costs will apply to the acquisition of SPP Shares.
- 4.4 Eligible Shareholders who wish to apply for SPP Shares must either:
- (a) complete the enclosed Application Form and forward it with a cheque drawn on an Australian financial institution made payable to '**BKI Investment Company Limited – SPP**' and crossed 'Not Negotiable' in the enclosed business reply envelope so that it is received prior to 7.00pm (AEST) on Thursday, 31 July 2014. Shareholders in New Zealand will need to apply in Australian dollars and affix the appropriate postage to the reply paid envelope; or
 - (b) make a payment via Bpay in accordance with the instructions on the Application Form so that it is received prior to 7.00pm (AEST) on Thursday, 31 July 2014.
- 4.5 Eligible Shareholders who receive more than one offer under the SPP (for example, because they hold Shares in more than one capacity or in different registered holdings) may apply on different Application Forms for SPP Shares but may not apply for SPP Shares with an aggregate value of more than \$15,000.
- 4.6 If you wish to subscribe for SPP Shares as a Custodian for one or more Eligible Beneficiaries, you must also complete and submit an additional Custodian Certificate that contains further certifications and details (required under the terms of ASIC Class Order 09/425) before your application will be accepted. Applications by Custodians that are not accompanied by a duly completed Custodian Certificate will be rejected.
- 4.7 BKI and its officers and agents, may accept or reject your application for SPP Shares at its discretion including, without limit, if:
- (a) your application does not comply with these terms and conditions;
 - (b) it appears you are not an Eligible Shareholder;
 - (c) your Application Form and cheque or Bpay payment is not received by the Registry by the Closing Date;
 - (d) if paying by cheque, your Application Form is incomplete or incorrectly completed or is otherwise determined by BKI to be invalid;
 - (e) your cheque is dishonoured or has been incorrectly completed;
 - (f) it appears that you are applying to purchase more than \$15,000 worth of SPP Shares in aggregate (including as a result of Shares you hold directly, jointly or through a custodian or nominee arrangement); or
 - (g) payment of the application monies is not submitted in Australian currency or, if payment is made by cheque, the cheque is not drawn on an Australian financial institution.

- 4.8 If you are entitled to a refund of all or any of your application monies, the refund will be paid to you, without interest, as soon as is practicable.

5. ISSUE PRICE

- 5.1 The Issue Price will be the lower of:
- (a) \$1.655 which is a 0.25% discount to the VWAP of Shares traded on ASX over the 5 trading days up to and including the Record Date (i.e. Thursday, 26 June 2014 to Wednesday, 2 July 2014), rounded to the nearest half cent; or
 - (b) a 0.25% discount to the VWAP of Shares traded on ASX over the 5 trading days prior to the day the SPP Shares are issued under the SPP (i.e. Friday, 1 August 2014 to Thursday, 7 August 2014), rounded to the nearest half cent.

Therefore the maximum price that Eligible Shareholders will pay is \$1.655 per SPP Share.

- 5.2 The current Share price can be obtained from the ASX and is listed in the financial and business section of major daily newspapers circulating in Australia.
- 5.3 You agree to pay the Issue Price per SPP Share for the number of SPP Shares calculated under clause 6, or if there is a scale-back, the number of SPP Shares calculated under clause 9.

6. NUMBER OF SPP SHARES TO BE ISSUED

- 6.1 If you apply for SPP Shares, you will apply for a certain value, rather than a certain number, of SPP Shares. If your application is accepted, BKI will divide the value of your application monies by the Issue Price (as determined under clause 5.1) in order to determine the number of SPP Shares which, subject to the scale back, will be issued to you.
- 6.2 If this calculation produces a fractional number, the number of SPP Shares issued will be rounded up to the nearest whole SPP Share.

7. ISSUE

- 7.1 SPP Shares will be issued on the Issue Date.
- 7.2 SPP Shares will rank equally with existing Shares as at the Issue Date.
- 7.3 BKI will apply to ASX for the quotation of SPP Shares. It is anticipated that SPP Shares will be quoted on the ASX shortly after the Issue Date.
- 7.4 The Registry will send you a holding statement, confirming the issue of SPP Shares, on or around Tuesday, 12 August 2014.

8. ACKNOWLEDGEMENTS

By returning an Application Form with a cheque or making a payment via Bpay, you:

- (a) irrevocably and unconditionally agree to the terms and conditions of the SPP and the terms and conditions of the Application Form and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the SPP;
- (b) warrant that all details and statements in your application are true and complete and not misleading;
- (c) agree that your application will be irrevocable and unconditional (that is, it cannot be withdrawn);
- (d) warrant that you are an Eligible Shareholder and are eligible to participate in the SPP;
- (e) acknowledge that no interest will be paid on any application monies held pending the issue of SPP Shares or subsequently refunded to you for any reason;

- (f) acknowledge that BKI and its officers and agents, are not liable for any consequences of the exercise or non-exercise of its discretions referred to in these terms and conditions;
- (g) acknowledge and agree that:
 - (i) you are not in the United States and are not acting for the account or benefit of a U.S. Person;
 - (ii) the SPP Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States, and accordingly, the SPP Shares may not be offered, sold or otherwise transferred in the United States or to, or for the account of, any U.S. Person except in accordance with an available exemption from, or a transaction not subject to, the registration requirements of the Securities Act and any other applicable US state securities laws;
 - (iii) you have not, and will not, send this Booklet or any materials relating to the SPP to any U.S. Person;
 - (iv) if in the future you decide to sell or otherwise transfer the SPP Shares, you will only do so in the regular way for transactions on the ASX where neither you nor any person acting on your behalf know, or have reason to know, that the sale has been pre-arranged with, or that the purchaser is, a U.S. Person; and
 - (v) if you are a Custodian holding Shares on behalf of an Eligible Beneficiary resident outside Australia and New Zealand, you are responsible for ensuring that any acceptance or provision of this Offer Booklet complies with all applicable foreign laws;
- (h) if you are applying on your own behalf (and not as a Custodian), acknowledge and agree that:
 - (i) you are not applying for SPP Shares with an application price of more than \$15,000 under the SPP (including by instructing a Custodian to acquire SPP Shares on your behalf under the SPP);
 - (ii) the total of the application price for the following does not exceed \$15,000:
 - (A) the SPP Shares the subject of the application;
 - (B) any other Shares issued to you under the SPP or any similar arrangement in the 12 months before the application (excluding Shares applied for but not issued);
 - (C) any other SPP Shares which you have instructed a Custodian to acquire on your behalf under the SPP; and
 - (D) any other Shares issued to a Custodian in the 12 months before the application as a result of an instruction given by you to the Custodian to apply for Shares on your behalf under an arrangement similar to the SPP;
- (i) if you are a Custodian and are applying on behalf of an Eligible Beneficiary on whose behalf you hold Shares, acknowledge and agree that:
 - (i) you are a Custodian (as that term is defined in ASIC Class Order 09/425);
 - (ii) you hold Shares (directly or indirectly) on behalf of one or more Eligible Beneficiaries;
 - (iii) you held Shares on behalf of the Eligible Beneficiary as at the Record Date who has instructed you to apply for SPP Shares on their behalf under the SPP;
 - (iv) each Eligible Beneficiary for whom you hold Shares has been given a copy of this Booklet;
 - (v) the application price for the SPP Shares applied for on behalf of the Eligible Beneficiary, and any other Shares applied for on their behalf under a similar arrangement in the previous 12 months (excluding shares applied for but not issued), does not exceed \$15,000; and
 - (vi) the information in the Custodian Certificate submitted with your Application Form is true, correct and not misleading;
- (j) accept the risk associated with any refund that may be despatched to you by direct credit or cheque to your address shown on the Register;
- (k) are responsible for any dishonour fees or other costs BKI may incur in presenting a cheque for payment which is dishonoured;

- (l) agree to be bound by the constitution of BKI (as amended and as it may be amended from time to time in the future);
- (m) acknowledge that none of BKI, its advisers or agents, has provided you with any financial product or investment advice or taxation advice in relation to the SPP, or has any obligation to provide such advice;
- (n) authorise BKI, and its officers and agents, to do anything on your behalf necessary for SPP Shares to be issued to you in accordance with these terms and conditions;
- (o) acknowledge that BKI may at any time irrevocably determine that your application is valid, in accordance with the terms and conditions of the SPP, even if the Application Form is incomplete, contains errors or is otherwise defective; and
- (p) authorise BKI, and its officers and agents, to correct minor or easily rectified errors in, or omissions from, your Application Form and to complete the Application Form by the insertion of any missing minor detail.

9. SCALE BACK

- 9.1 BKI may in its absolute discretion undertake a scale-back of applications for SPP Shares to the extent and in the manner it sees fit.
- 9.2 If there is a scale-back you may receive less than the parcel of SPP Shares for which you have applied.
- 9.3 If a scale-back produces a fractional number of SPP Shares when applied to your parcel, the number of SPP Shares you will be allotted will be rounded up to the nearest whole number of SPP Shares.
- 9.4 If there is a scale-back, the difference between the application monies received from you, and the number of SPP Shares allocated to you multiplied by the Issue Price, will be refunded to you without interest.
- 9.5 BKI does not intend to scale back any applications under the SPP unless required to in order to comply with the ASX Listing Rules.

10. DISPUTE RESOLUTION

- 10.1 BKI may settle, in any manner it deems appropriate, any difficulties, anomalies, or disputes which may arise in connection with the operation of the SPP whether generally or in relation to any participant or any application for SPP Shares, and its decision shall be conclusive and binding on all participants and other persons to whom the determination relates.
- 10.2 The powers of BKI under these terms and conditions may be exercised by the Directors or any delegate or representative of the Directors.

11. VARIATION AND TERMINATION

- 11.1 BKI reserves the right at any time to, and may in its absolute discretion:
 - (a) amend or vary these terms and conditions;
 - (b) waive strict compliance with any provision of these terms and conditions;
 - (c) withdraw the SPP Offer or suspend or terminate the SPP;
 - (d) vary the timetable for the SPP, including the Closing Date; and
 - (e) not accept an application, not issue SPP Shares or issue SPP Shares to a value less than that applied for under the SPP by an Eligible Shareholder (including a Custodian applying on behalf of its Eligible Beneficiaries).
- 11.2 In the event that the SPP is withdrawn or terminated all application monies will be refunded. No interest will be paid on any money returned to you.

12. PRIVACY POLICY

- 12.1 Chapter 2C of the Corporations Act requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. This information must continue to be included in the public register if you cease to be a securityholder. The Privacy Act 1998 (Cth) does not alter these statutory obligations.
- 12.2 BKI and the Registry may collect personal information to process your application, implement the SPP and administer your BKI shareholding. If you do not provide us with your personal information, we may not be able to process your application, implement the SPP or administer your BKI shareholding. The personal information contained in the Register is also used to facilitate payments and corporate communications (including financial results, annual reports and other information to be communicated to BKI shareholders) and to ensure compliance with legal and regulatory requirements, including Australian taxation laws and the Corporations Act. In addition, we may use your personal information (including your email address) to contact you on an ongoing basis in order to provide you with marketing information (including information about investment opportunities or products and services) we think would be of interest to you, including by mail, email, SMS and telephone. By completing and returning the Application Form, you consent to us using your information to contact you on an ongoing basis in order to provide you with corporate communications and marketing information, including by mail, email, SMS and telephone. You may request not to receive any marketing communications from BKI by contacting Jaime Pinto on +612 9210 7000.
- 12.3 Your personal information may be disclosed to joint investors, the Registry, to securities brokers, to third party service providers, including print and mail service providers, technology providers and professional advisers, to related entities of BKI and its agents and contractors, and to ASX and other regulatory authorities or otherwise and in any case, where disclosure is required or allowed by law (which may include disclosures to the Australian Taxation Office and other government or regulatory bodies or where you have consented to the disclosure). In some cases, the types of organisations referred to above to whom your personal information may be disclosed may be located overseas.
- 12.4 Advanced Share Registry Limited's privacy policy is available on their website: <http://www.advancedshare.com.au/privacy-policy.aspx>.

13. UNDERWRITING

The SPP is not underwritten.

14. GOVERNING LAW

These terms and conditions are governed by the laws in force in New South Wales. Any dispute arising out of, or in connection with, these terms and conditions, or the SPP Offer, will be determined by the courts of New South Wales. By accepting the SPP Offer, you agree to submit to the non-exclusive jurisdiction of the courts in New South Wales. Other terms and conditions, rights and obligations of SPP Shares are contained in the constitution of BKI. The terms and conditions of the SPP prevail to the extent of any inconsistency with the Application Form.

Glossary

The following definitions apply throughout this Booklet unless the context requires otherwise.

AEST

Australian Eastern Standard Time.

Application Form

your personalised application form enclosed with this Booklet.

ASIC

Australian Securities & Investments Commission.

ASX

ASX Limited ACN 008 624 691 or the market operated by it as the context requires.

BKI

BKI Investment Company Limited ACN 106 719 868.

Broker

a market participant of ASX.

Closing Date

7.00pm (AEST) on Thursday, 31 July 2014 (or such other date as BKI determines).

Corporations Act

the Corporations Act 2001 (Cth).

Custodian

a custodian as defined in paragraph 14 of ASIC Class Order 09/425.

Custodian Certificate

a certificate complying with paragraph 9 of ASIC Class Order 09/425.

Director

a director of BKI.

Eligible Beneficiary

a person on whose behalf a Custodian is holding Shares at 7.00pm (AEST) on Wednesday, 2 July 2014 and who is not, or is not acting for the account or benefit of any U.S. Person.

Eligible Shareholder

a Shareholder who is a registered holder of Shares at 7.00pm (AEST) on Wednesday, 2 July 2014 with an address on the Register in either Australia or New Zealand, provided that such Shareholder is not in the United States or acting for the account or benefit of any U.S. person.

Issue Date

Friday, 8 August 2014 (or such other date as BKI determines).

Issue Price

the price per SPP Share as determined under clause 5 of the terms and conditions of the SPP.

Offer Period

the period commencing on the Opening Date and ending on the Closing Date.

Opening Date

Thursday, 10 July 2014.

Record Date

7.00pm (AEST) on Wednesday, 2 July 2014.

Register

the register of Shareholders.

Registry

Advanced Share Registry Limited trading as Advanced Share Registry Services.

Share

a fully paid ordinary share in BKI.

Shareholder

a registered holder of Shares.

SPP

the share purchase plan offer made to Eligible Shareholders under this Booklet.

SPP Offer

the offer in clause 1.1 of the terms and conditions of the SPP.

SPP Shares

means Shares issued under the SPP.

U.S. Person

has the meaning to it given in the US Securities Act.

US Securities Act

means the U.S. Securities Act of 1933 (as amended).

VWAP

means the volume weighted average price.



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