



Jayride Group Limited
ACN 155 285 528

Employee Option Plan Rules

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Jayride Group Limited – Employee Option Plan Rules

1. Definitions

In these Plan Rules, unless the contrary intention appears, the following terms have the following meanings:

Associated Body means:

- (a) a body corporate that is a subsidiary of the Company under Division 6 of Part 1.2 of the Corporations Act 2001; or
- (b) a body corporate in which the Company is entitled to not less than 20% of the voting shares of that body corporate;

ASX means Australian Stock Exchange Limited ACN 008 624 691;

ASIC means Australian Securities and Investments Commission;

Bad Leaver means a Participant whose employment with any Group Company has ceased in circumstances where the Participant is not a Good Leaver;

Board means the board of directors of the Company or any committee of that board;

Business Day means a day on which trading banks are open for ordinary business in Sydney;

Company means Jayride Group Limited ACN 155 285 528;

Company Group means the group of bodies corporate comprising the Company and each Associated Body of the Company;

Constitution means the constitution of the Company;

Corporations Act means *Corporations Act 2001 (Cth)*;

Eligible Person means any person considered by the Board to be an employee, contractor or director or an associate of an employee, contractor or director (including past or prospective employees, contractors or directors) of the Company or a Subsidiary of the Company, and expressly includes any person considered by the Board:

- (a) to be an employee of the Company or any other entity in the Company Group, including without limitation all executive and non-executive directors, for the purposes of Division 83A of the ITAA 97; or
- (b) to be a person the Board considers to be a permanent employee of the Company or any other entity in the Company Group for the purposes of Division 83A of the ITAA 97; or,
- (c) an associate of an employee of the Company within the meaning of section 83A-305 of the ITAA 97; or
- (d) to be a person that falls within column 1 of the table of section 83A-325 of the ITAA 97;



Exercise Price means the exercise price of an option determined under rule 9 of the Rules as adjusted from time to time, if applicable, under rule 24;

Exit Date means each of:

- (a) in respect of a Listing, the date of admission of the IPO Entity to the official list of the ASX or any other licensed financial market;
- (b) in respect of a Share Sale, the date on which the parties complete the sale and purchase of the Shares; or
- (c) in respect of a Business Sale, the date of the first distribution to Shareholders arising from the Business Sale,

or any such other date as nominated by the Board as the Exit Date;

Exit Event means each of the following events:

- (a) a Listing;
- (b) a Business Sale;
- (c) a Share Sale;

Expiry Date means the date on which an Option lapses under rule 10.1;

Fair Market Value means the fair market value of a Share on any particular date, as determined by the Board in good faith on such basis as it deems appropriate and applied consistently with respect to all Shares;

Good Leaver means a Participant whose employment with any Group Company has ceased by reason of:

- (a) the Company terminating their contract of employment (other than by reason of fraud, dishonesty or cause (as defined in the relevant Participants employment agreement with the Company); or
- (b) any other reason as may be determined by the Board.

Group Company means each of the Company and its Associated Bodies;

IPO Entity means a member of the Company Group or a special purpose vehicle formed for the purpose of a Listing which directly or indirectly (including through one or more interposed entities) owns at least 50% per cent (based on earnings) of the business of the Company Group;

Invitation Notice means a notice referred to in Rule 4;

Issue Date means, in relation to an Option, the date on which that Option is issued to an Eligible Person under rule 5.1(a);

ITAA 97 means the *Income Tax Assessment Act, 1997* as amended from time to time;

Listed means that the Company is admitted to the official list of, or otherwise listed on the ASX or any other licensed financial market;

Listing Rules means the listing rules of the ASX or any other licensed financial market on which the Company is Listed;



Listing means:

- (a) a member of the Company Group is admitted to quotation on the ASX of any other a licensed financial market; or,
- (b) a special purpose vehicle formed for the purpose of being admitted to quotation on the ASX or any other licensed financial market which directly or indirectly (including through one or more interposed entities) owns at least 50% per cent (based on earnings) of the business of the Company Group is admitted to quotation on a licensed financial market;

Loan means a loan made by the Company to a Participant pursuant to rule 19.1;

Minimum Holding Period means the “minimum holding period” as that expression is defined in the ITAA 97;

New Holding Entity means an entity in which equity securities are issued in exchange for Shares as part of a Reconstruction;

Option means an option in respect of unissued Shares in the Company and granted under this Plan;

Option Share means a Share issued as a result of the exercise of an Option;

Participant means a person who holds one or more Options;

Plan means this employee option Plan established by the Company;

Reconstruction means the reconstruction of the Company involving holders of Shares exchanging those Shares for equity securities in a New Holding Entity such that the equity security holders of the New Holding Entity are, or after the reconstruction become, the same or substantially the same as the former holders of Shares;

Rules means the rules of the Plan set out herein;

Share means an ordinary share in the capital of the Company;

Share Sale means the sale by Shareholders (in one transaction or a series of connected transactions) to a third party purchaser of all of the issued Shares other than for the purpose of reorganisation of the Company Group;

Shareholder means the holder of a Share;

Shareholders' Agreement means the shareholders agreement in respect of the Company (if any);

Subsidiary of the Company means any company that would be a subsidiary of the Company in accordance with the Corporations Act;

Takeover Bid has the meaning given to the expression “takeover bid” in section 9 of the Corporations Act;

Total and Permanent Disablement means that the Participant has, in the opinion of the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the Participant unlikely ever to engage in any occupation for which they are reasonably qualified by education, training or experience;

Unvested Option means an Option that is not yet capable of exercise;

Vested Option means an Option that is capable of exercise;

2. Interpretation

In these Plan Rules, except where the context otherwise requires:

- (a) the singular includes the plural and vice versa;
- (b) a reference to the whole or part of any legislation includes any amendment, consolidation or re-enactment of the legislation or any legislative provision substituted for the legislation;
- (c) headings are inserted for convenience only and do not affect construction or interpretation of these rules; and,
- (d) expressions given a meaning in the Corporations Act have the same meaning when used in this Plan.

3. Commencement of the Plan

This Plan takes effect on and from the date determined by the Board.

4. Invitation to apply for Options

4.1 Eligibility

The Board may in its absolute discretion, without being bound to do so, at intervals determined by the Board, issue written invitations to apply for Options to Eligible Persons selected by the Board.

4.2 Invitation terms

An invitation to apply for Options must specify the terms on which the Options are to be issued including:

- (a) the Exercise Price;
- (b) the Expiry Date (if not exercised or lapsed under rule 10 before that date);
- (c) if the Options are to be subject to Vesting Conditions, the terms of those Vesting Conditions;
- (d) if the Options are to be subject to any other conditions, then the terms of those conditions.

4.3 Personal invitation

Any invitation to apply for Options given to an Eligible Person or Eligible Persons is personal and may not be assigned.

4.4 Application for Options

- (a) On receipt of an Invitation Notice, an Eligible Person may apply for the Options described in the Invitation Notice by sending to the person designated by the Company an application duly completed and signed.
- (b) The application must be in the form included with the Invitation Notice and may not be made on the basis that it is subject to any terms and conditions other than those specified in the Invitation Notice.

5. Grant of Options

5.1 Grant

- (a) If the Company receives a valid application for Options under these Rules, the Company, at the discretion of the Board, may grant Options to the Eligible Person, as specified in the Invitation Notice and subject to these Rules.
- (b) Following the grant of an Option under rule 5.1(a), the Company will issue to the Participant an Option Certificate in respect of the Options granted.

5.2 Terms of Grant

Options must be granted on the terms of this Plan and each Participant will be taken to have agreed to be bound by the terms of this Plan on the grant of Options to that Participant.

5.3 Shareholder approval

If and to the extent applicable at any time, the grant of Options under this Plan generally or to particular Eligible Persons is subject to receipt of any necessary shareholder or other approvals under:

- (a) the Corporations Act or any other law applicable to the Company; and
- (b) if the Company is Listed, the applicable Listing Rules.

5.4 Matters for determination

Subject to any limitations under the Corporations Act or any other law applicable to the Company, when granting Options to an Eligible Person the Board must specify:

- (a) the Exercise Price;
- (b) the Expiry Date (if not exercised or lapsed under rule 10 before that date);
- (c) if the Options are to be subject to Vesting Conditions, the terms of those Vesting Conditions;
- (d) any other conditions that apply to the Options.

6. Minimum Holding Period

Notwithstanding any provision to the contrary herein, a Participant is not permitted to dispose of the Option or the beneficial interest in any Option Share during the Minimum Holding Period.

7. Overriding restrictions on issue and exercise

7.1 Maximum number of Options

- (a) If ASIC class order CO 14/1000 is relied upon by the Company for the issue of Options pursuant to this Plan, then Options may not be issued under this Plan if, at the time of making the offer, the Directors have reasonable grounds to believe that the number of Shares that have been or may be issued in any of the circumstances covered by the following paragraphs will not exceed 5% of the total number of Shares on issue:
 - (1) Shares that may be issued under the offer;



- (2) Shares that have been issued or may be issued as a result of offers made at any time during the previous 3 year period under:
 - (A) an employee incentive scheme or like scheme of the Company or an associated body corporate, where offers were covered by ASIC class order CO 14/1000 or an individual instrument made by ASIC in terms similar to CO 14/1000; or
 - (B) an employee incentive scheme or employee share scheme of the Company or an associated body corporate, where the offers were covered by ASIC class order CO 03/184 or an individual instrument made by ASIC in terms similar to that class order.
- (b) If sub-clause (a) does not apply, then Options may not be issued under this Plan if, immediately following the issue, the number of Shares comprised in the Options which are issued pursuant to this Plan and have neither been exercised nor lapsed, together with the number of shares in the capital of the Company or options to acquire those shares which are the subject of any other employee incentive scheme of the Company, would exceed 15% of the total number of Shares on issue at that time calculated as if immediately before that time:
 - (1) each holder of Securities in the Company had converted or exercised their Securities into ordinary shares at the conversion ratio and on any other terms applicable at that time; and
 - (2) each holder of Securities in the Company had exercised their right to convert, subscribe for or otherwise acquire the maximum number of ordinary shares which that holder would be entitled to acquire at that time if they were entitled to, and did, exercise that right at that time; and
 - (3) each unallocated and unvested option issued by the Company under any Plan or scheme had been allocated, vested and exercised.

7.2 Restrictions on exercise

Notwithstanding any Rule or the terms of any Option, no Option may be offered, issued or exercised if to do so:

- (a) would contravene the Corporations Act;
- (b) would contravene the Constitution;
- (c) would contravene the Listing Rules; or
- (d) would contravene the local laws or customs of the Eligible Person's country of residence or in the opinion of the Board would require actions to comply with those local laws or customs which are impractical.

8. Notice of Grant

8.1 Notification

When Options are granted to an Eligible Person, the Eligible Person (now a **Participant**) is to be notified by the Company of the grant.



8.2 Terms of notice

The notice is to specify:

- (a) the number of Options granted;
- (b) the Exercise Price of the Options granted;
- (c) the date determined by the Board as the Expiry Date;
- (d) if applicable, the Vesting Conditions as determined by the Board; and
- (e) if applicable, any other conditions attaching to the Options as determined by the Board under rule 5.4(d).

8.3 Commencement

Subject to rule 8.4, the term of an Option commences on the date the Board resolves to grant the Option.

8.4 Decline of acceptance

An Eligible Person may, within ten (10) business days after receipt of a notice of grant under rule 8.1, by notice to the Company decline to accept the Options referred to in the notice of grant. If notice is received from an Eligible Person under this rule, the Options will not be granted to that person. If no notice is received under this rule, the Options are deemed granted to that person.

9. Exercise Price

The exercise price of each Option is to be such price as determined by the Board in its discretion when granting the Option.

10. Expiry Date

10.1 Lapsing

Subject to rules 10.2 and 10.3, Options granted to a Participant lapse at 5:00 pm Sydney time on the Expiry Date (unless exercised prior to that date).

10.2 Ceasing to be employed by a Group Company

- (a) Subject to rule 10.3, if a Participant leaves the employment of a Group Company, any Options which are, as at the date of cessation of employment, Unvested Options will immediately lapse unless the Participant is a Good Leaver, in which event, the Unvested options shall vest and sub-clause (b) of this rule 10.2 shall then apply as if the Options were Vested Options at the date of cessation of employment; and
- (b) any Options which are, as at the date of cessation of employment, Vested Options may be exercised during the period commencing on the date of cessation of employment and ending 60 days later, unless the employee is a Bad Leaver, in which case, the Options lapse immediately on the Participant ceasing to be an employee.



10.3 Total and Permanent Disablement or death

If a Participant:

- (a) ceases to be an Employee by reason of their Total and Permanent Disablement; or
- (b) dies,

then any Unvested Options held by that Participant will immediately become Vested Options and may be exercised by the Participant (or their legal personal representative in the case of paragraph (b)) together with any other Vested Options at any time prior to the Expiry Date.

10.4 Board may extend time for exercise

The Board may, in writing, extend a period during which a Participant may exercise a Vested Option under these Rules, provided that such period does not go beyond the Expiry Date.

10.5 Transfers between Group Companies

For the purposes of this rule 10, a Participant is not treated as ceasing to be an employee of a Group Company unless and until the individual is no longer an employee of any Group Company, whether or not in the same capacity as at the time the Option was granted.

11. Option Exercise

11.1 Vesting condition

- (a) If an Option is subject to Vesting Conditions it may only be exercised if it has vested and before it expires.
- (b) While the Company is not Listed, the Board may in its absolute discretion accelerate the vesting of Options of any Participant.

11.2 Exercise time

Subject to rule 11.1, an Option may be exercised by a Participant at such time(s) as the Board determines at the time of grant.

11.3 Entitlement

When exercised, each Option held by a Participant entitles the Participant to subscribe for and to be issued one Share (credited as fully paid). The subscription price for the Share is equal to and satisfied by payment of the Exercise Price of the Option.

12. Manner of Exercise

12.1 Method

A Participant may exercise Options by lodging with the Company a notice of exercise in a form approved or accepted by the Board accompanied by:

- (a) payment of the aggregate exercise price for the Options the subject of the notice;
- (b) the Participants option certificate.



12.2 Minimum Number

If a Participant does not exercise all Options held by the Participant, the Participant must exercise Options in multiples of 1,000 or other multiple permitted by the Board. On exercise of any Options by a Participant, the Company must issue Shares in accordance with this Plan. The Company must comply with the requirements of the Corporations Act and, if the Company is Listed, the Listing Rules in connection with the manner and timing of issue of the Shares. The Company is not obliged to issue Shares unless it has received cleared funds on account of the exercise price of Options.

12.3 Ranking

Shares issued on exercise of Options rank equally with all existing Shares from the date of the issue of such Shares.

12.4 Name

Shares may only be issued in the name of the Participant exercising the Option unless the Board otherwise agrees.

13. Takeover and other corporate transactions

13.1 Options may be exercised at a time earlier than the Exercise Date

If, under this rule 13 (in connection with a Takeover Bid, change of control, proposed compromise or arrangement, scheme for reconstruction, amalgamation or winding up) the Board, in its absolute discretion, gives notice that a Participant may exercise any or all of the Participant's Options (whether Vested Options or Unvested Options) as determined by the Board within a particular time, then, subject to the terms of the Option, the Participant may exercise those Options within that time in addition to any other period during which the Options may be exercised.

13.2 Application to the court

If the Board determines that an application is to be made to the court under section 411 of the Corporations Act for a meeting to be held as described in rule 13.5, the Board may give written notice of the application to each Participant, stating that any or all of the Participant's Options as determined by the Board may be exercised up to 5 Business Days before the hearing of the application.

13.3 Change of control

If, pursuant to a Takeover Bid or otherwise, any person together with their associates acquire Shares, which when aggregated with Shares already acquired by such person and their associates, comprise more than 30% of the issued Shares of the Company, the Board may give written notice to each Participant permitting the Participant to exercise any or all the Participant's Options as determined by the Board within 30 days or such reasonable longer period as approved by the Board from the last date when any of the Shares referred to were so acquired.

13.4 Compromise or arrangement

If, pursuant to an application made to the court under section 411 of the Corporations Act the court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other Company, the Board may give written notice to each Participant permitting the Participant to exercise the Participant's Options before the time of the meeting.



13.5 Reconstruction, amalgamation or winding up

If:

- (c) a person becomes bound or entitled to acquire Shares in the Company under section 414 of the Corporations Act;
- (d) under section 413 of the Corporations Act the court sanctions a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company; or
- (e) The Company passes a resolution for voluntary winding up or an order is made for the compulsory winding up of the Company,

then the Board may give written notice to each Participant permitting the Participant to exercise the Participant's Options within 30 days after the occurrence of the relevant event.

1.2 Options lapse on reconstruction, amalgamation or winding up

If a Participant becomes entitled to exercise the Participant's Options then, notwithstanding any other provision in these Rules, all Options lapse on the expiration of the period of 30 days allowed for exercise.

14. Exit Event

14.1 Permitted actions

On or prior to an Exit Event, the Board may, in its absolute discretion:

- (a) where there is a Reconstruction as part of the Exit Event:
 - (1) provide for the issue of new Options in substitution of some or all of the Options on a like for like basis, by the New Holding Entity or any related body corporate of the New Holding Entity;
 - (2) arrange for some or all of the Options to be acquired by the New Holding Entity or any related body corporate of the New Holding Entity in exchange for their Fair Market Value on the date of completion of the Reconstruction;
- (b) buy back or cancel some or all of the Options (whether vested or not) in exchange for their Fair Market Value or
- (c) take the following steps:
 - (1) notify a Participant of the number of Options that will vest as a result of the Exit Event occurring;
 - (2) make appropriate arrangements to ensure that such Options and any other Vested Options are able to be exercised on or prior to the Exit Date; and
 - (3) use reasonable endeavours to ensure that the Shares issued pursuant to the exercise of the Option at or about the time of an Exit Event are accorded the same rights and receive the same benefits in relation to the Exit Event as pre-existing Shares;
 - (4) or take any combination of the above steps.



14.2 Exercise of Options

If:

- (a) the Company expects an Exit Event to occur; or
- (b) an Exit Event not anticipated by the Company does occur,

then the Company may, by notice to all Participants, require that all Vested Options (including those Options vesting under rule 14.1(c)) either be exercised:

- (c) on or before the Exit Date pertaining to the relevant Exit Event; or
- (d) in the case of an unanticipated Exit Event, a date after the Exit Date for that event,

or if they are not exercised to lapse on a date specified by the Board.

14.3 Disposal where Exit Event

Subject to clause 6, unless otherwise consented to by the Board in writing and notwithstanding any other provision in this Plan (other than clause 6), a legal or a beneficial interest in an Option may not be disposed of until after:

- (a) where a Listing occurs, the earlier of:
 - (1) the date that is one hundred and eighty (180) days following the Listing; and
 - (2) the expiration of any underwriter imposed lock-up in connection with the Listing; and
- (b) in the case of any other Exit Event, the occurrence of that Exit Event.

15. Listings

Each Participant agrees and represents that:

- (a) in the event that a Listing is proposed by the Board, it will do all things and provide all assistance as is reasonably required by the Company in connection with the actual or proposed Listing, including, if required by the Company, entering into an underwriting, escrow or offer management agreement or similar agreement on market terms; and
- (b) if, as part of the Listing, the Participant's Option Shares or the shares such person holds in the IPO Entity (as applicable) (together, the "**Listing Shares**") are subject to the Listing Rules (including, without limitation, if the Participant's Listing Shares are "restricted securities" for the purpose of the Listing Rules), each Participant will hold and deal with its Listing Shares in accordance with the Listing Rules.



16. Shareholders' Agreement

- (a) Despite anything else in this Plan, where there is a Shareholders Agreement in place, unless the Board otherwise determines, no Participant may receive any Shares upon the exercise of Options, unless:
 - (1) the Participant (or any nominee or trustee to whom the Option Shares are to be issued (**Nominee Shareholder**)) first executes and delivers to the Company a document (in the form prescribed by the Board) pursuant to which the Participant or Nominee (as applicable) accedes to, and becomes bound by, the terms of the Shareholders Agreement; or
 - (2) the Participant or Nominee Shareholder (as applicable) is already a party to the Shareholders Agreement.
- (b) If at the time of exercise of an Option the Company does not have a Shareholders Agreement in place, a Participant agrees, by serving a notice of exercise of the Option, to enter into (or procure that its Nominee Shareholder enters into) a Shareholders Agreement if the Company subsequently adopts one, provided that such Shareholders Agreement is broadly consistent with the provisions in this Plan covering disposal and the procedures on an Exit Event. By serving a notice of exercise of the Option on the Company, a Participant will be taken to have agreed to this requirement.
- (c) At all times that the Company does not have a Shareholders Agreement in place, Rules 6, 10, 14 and 15 and related definitions will be deemed to apply to Option Shares (with appropriate modifications such that references to Options will be taken to include references to Option Shares and references to Participants will be taken to include references to holders of Option Shares).

17. Administration of Plan

17.1 Board to administer

The Board will administer the Plan and may:

- (a) determine appropriate documentation and procedures for administration of the Plan consistent with these Rules; and
- (b) delegate to any one or more persons (who may include a trustee), for such period and on such conditions as it may determine the exercise of any of its powers or discretions arising under the Plan or appoint one or more persons (who may include a trustee), to perform any of the functions provided for in, or contemplated by, these Rules.

17.2 Board has unfettered discretion

Except as otherwise expressly provided in these Rules, the Board has absolute and unfettered discretion to exercise or refrain from exercising any power or discretion in respect of the Plan or any Options and to act, or refrain from acting, under or in connection with the Plan or any Options or any Shares.

17.3 Board may impose conditions

The Board may impose any terms and conditions on any approval, consent, authority or determination made under these Rules.



17.4 Board's decision is final

If there is any dispute or disagreement as to the interpretation of these Rules or as to any right or discretion or the exercise of any right or discretion under or in relation to the Plan or any Option or any Share, the decision of the Board is final and binding on all persons.

17.5 Suspension or termination of the Plan

The Board may from time to time terminate or suspend the operation of the Plan and may, at any time, cancel the Plan. The suspension or termination of the Plan will not prejudice the rights of Participants who were granted Options prior to such termination or suspension

18. Rights and obligations of Participants

- (a) All Participants will be entitled to the benefit of and will be bound by the terms and conditions of the Rules. Each Participant will be taken to have agreed to be bound by these Rules by applying for Options in response to an Invitation Notice.
- (b) The Plan does not form part of any contract between any Group Company and any Participant and will not confer directly or indirectly on any Participant any legal or equitable rights whatsoever against any Group Company (other than rights as a Participant under the Plan against the Company).
- (c) Nothing in these Rules:
 - (1) confers on an Eligible Person the right to receive any Options;
 - (2) confers on any Participant the right to continue as an employee of any Group Company;
 - (3) affects any rights which a Group Company may have to terminate the employment of any Eligible Person; or
 - (4) may be used to increase damages in any action brought against any Group Company in respect of any such termination.

19. Loan to Exercise Options

19.1 Loan Offer

- (a) The Directors may offer a loan of money to a Participant who holds an Option for the amount of the exercise price of the Option, to enable the employee to pay the purchase price for the Share on the exercise of the Option that has been issued pursuant to this Plan.
- (b) The offer of the loan shall be in writing and must state the terms and conditions of the loan as determined by the Directors.
- (c) The terms of the loan offer shall remain open for acceptance for ten business days.
- (d) Upon acceptance of the offer, the employee shall be bound by the terms of the offer and the Company will apply the amount of the loan to the exercise price of the Option and issue the Share.



19.2 Dividends

Until the Loan is repaid, the Company may apply any dividends paid in respect of the Shares in satisfaction of any amounts outstanding under or in connection with the loan.

19.3 Lien

- (a) The Company shall have a lien over the Shares until all the amounts outstanding under or in connection with the Loan have been repaid.
- (b) Until the Loan is repaid, the Company may take any action available to it to prevent the transfer of the Shares.

19.4 Disposal of Shares

- (a) Notwithstanding the above, but subject to rule 6, a Participant may dispose of all or part of his or her Shares if authorised to do so by the Company or if a takeover bid is made for the Shares.
- (b) If the employee disposes of the all or part of his or her Shares as permitted by sub-clause (a), the employee must repay the Loan or that proportion of the Loan being the same proportion as the Shares disposed of to the total number of Shares held by the employee.

19.5 Repayment of Loan

- (a) A Loan shall be repayable in full on the first to occur of the following events:
 - (1) the Participant ceases to be an employee of the Company, or of any of its subsidiaries, as the case may be;
 - (2) the Participant fails to comply with a term or condition of the Loan or this Plan; or
 - (3) the Participant becomes bankrupt; or
 - (4) on the fifth anniversary of the date of the advance of the Loan; or,
 - (5) the Company demands repayment of the Loan.
- (b) A Loan may also be repaid at the option of the Participant.

19.6 Default

- (a) If the Participant:
 - (1) fails to comply with a term or condition of the Loan or this Plan; or
 - (2) becomes bankrupt; or
 - (3) fails to repay any amount outstanding under or in connection with the Loan when required to do so,

the Company may purchase the Shares from the employee or direct that they be sold to a nominee of the Company at a price not less than the lesser of the purchase price of the Shares paid by the employee and the market price thereof at the date of such disposition.
- (b) The Company shall apply the proceeds from the disposal of the shares towards satisfaction of any amounts outstanding under or in connection with the Loan.



- (c) Any remaining amount of the Loan shall be immediately due and payable by the Eligible Person to the Company.

20. No Transfer

The Options and the rights and entitlements of a Participant to Options may not be transferred, assigned, encumbered or otherwise disposed of by the Participant except by transmission on death of the Participant or with the written agreement of the Board (which may be given or withheld in its discretion).

21. Application of Subdivision 83A-C of the ITAA 97

Subdivision 83A-C of the ITAA 97 applies to the Plan (subject to the requirements of the ITAA 97).

22. Quotation of Options and Shares

22.1 Application

This rule 22 applies if the Company is Listed or becomes Listed.

22.2 No listing

The Options will not be listed on any licensed market on which the Company is Listed.

22.3 Application for Listing

If the Company is Listed at the time of exercise of any Options, the Company will make application to the relevant licensed market for listing or quotation of the Shares issued on exercise of the Options. Any such application is to be made in accordance with the requirements of the applicable Listing Rules.

22.4 Condition

The grant of each Option is subject to a condition that if the Company becomes Listed, the Participant or former Participant must sign any restriction (escrow) agreement required by the relevant licensed market, in respect of the Option or any Shares issued on exercise of the Option.

23. Participation in New Issues

A Participant may only participate in issues of securities by the Company if the Option has been exercised and a Share allotted in respect of the exercise of that Option before the books closing date for determining entitlements to the security issue.

24. Variations of Capital

24.1 Bonus issues

- (a) If, prior to an exercise of an Option by a Participant, the Company makes a bonus issue of Shares pursuant to an offer of Shares to at least all holders of Shares to whom such an offer would be lawful, then on exercise by a Participant of an Option the Participant will be entitled to be allotted (in addition to the Shares to which the Participant is otherwise entitled), the number of additional Shares (in this rule 13.1 called "Additional Shares") which would have been issued to the Participant in such Bonus Issue (disregarding fractions) if, at the date on which entitlements to the bonus issue were calculated, the Participant had been registered as the holder of Shares equal to the aggregate of the number of Shares and any Additional Shares (if any, resulting from any earlier application of this rule) to which the Participant would have been entitled if immediately prior to that date the Participant had so exercised the Option in respect of the Shares then the subject of the Option and the exercise.
- (b) The Additional Shares must be issued credited as fully paid and rank equally with the other Shares issued as a result of the exercise of the Option.

24.2 Rights Issues

If, prior to an exercise of an Option by a Participant, any offer or invitation is made by the Company to at least all holders of Shares to whom such an offer would be lawful for the subscription of cash for shares of the Company, the Exercise Price of the Option will be reduced according to the following formula:

$$O1 = \frac{O2 - E[P - (S + D)]}{N + 1}$$

Where:

- O1 = the new Exercise Price of the Option;
- O2 = the old Exercise Price of the Option;
- E = the number of Shares into which the Option is exercisable;
- P = the subscription price for a Share under the pro rata issue or, if the Company is Listed, the average market price per Share (weighted by reference to volume) of the Shares during the 5 trading days on the licensed market on which the shares are Listed ending on the day before the ex-rights date or ex-entitlements date or if there is no such date then the date chosen by the Board. If the Company is Listed on more than one licensed market, then this provision is to be interpreted by reference to trading on the primary licensed market on which Shares are Listed (unless the Board otherwise determines);
- S = the subscription price for a Share under the pro rata issue;
- D = the dividend due but not yet paid on the existing Shares (except those to be issued under the pro rata issue); and
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.



24.3 Reconstruction of Capital

In the event of a consolidation, subdivision or similar reconstruction of the issued capital of the Company:

- (a) the number of Shares to which a Participant is entitled on exercise of an Option will be reduced or increased in the same proportion as the issued capital of the Company is consolidated, subdivided or reconstructed (subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting of shareholders approving the consolidation, subdivision or reconstruction); and
- (b) an appropriate adjustment will be made to the Exercise Price, to the effect that the total amount payable on an exercise of all Options by each Participant will not alter.

24.4 Return of Capital

If, prior to the exercise of an Option by a Participant, the Company makes a return of capital to holders of Shares generally, the Exercise Price will be reduced by the amount of the capital returned in respect of each Share.

24.5 Cumulative Adjustments

The terms of this rule 24 relating to bonus issues, rights issues, reconstructions and returns of capital may be applied on more than one occasion such that their effects may be cumulative. It is intended that the adjustments they progressively effect will be such as to reflect in relation to the Shares subject to Options, the adjustments which on the occasions in question are progressively effected in relation to Shares already on issue.

24.6 Notice of Adjustments

Whenever the number of Shares subject to an Option or the Exercise Price is adjusted in accordance with these rules, the Company will give notice of the adjustment to the Participant holding the Option.

25. Plan and Option Amendments

25.1 Amendment by Board

The rights attaching to the Options may be amended by the Board subject to receipt of any necessary shareholder or other approval under:

- (a) the Corporations Act or any other law applicable to the Company; and
- (b) if the Company is Listed, the applicable Listing Rules.



25.2 Subject to Listing Rules

If the Company is Listed and the provisions of this Plan or the terms of issue of the Options are inconsistent with the Listing Rules, then the Listing Rules prevail to the extent of any inconsistency and the terms of the Options will be deemed modified accordingly without further action by the Company, the Board or the holder of the Option being necessary.

25.3 Deemed modification

Without limiting the generality of rule 25.2, it is a term of each Option that, if the Company is Listed, the rights of the Participant who holds the Option are deemed modified from time to time as necessary to ensure the terms of the Options comply with the Listing Rules generally and in particular (but without limitation) as those rules apply to reorganisations of capital at the time of any re-organisation of the Company's capital, in each case despite any inconsistent provision in the terms of this Plan.

25.4 Amendment without prejudice

Subject to rules 25.1 to 25.3 (inclusive) and, if the Company is Listed, to receipt of any necessary approvals required under the Listing Rules, the terms of this Plan may be amended by the Board but without prejudice to the existing or accrued rights of Participants before any amendments are made.

26. Notices

- (a) Notices may be given by the Company to Participants in the manner permitted by the Corporations Act for the giving of notices to holders of Shares and the relevant provisions of the Corporations Act apply (with necessary changes) to notices given to Participants.
- (b) Service of all documents required by this Plan shall be deemed to be affected if the Company sends the document by registered post to the last address of the Participant known to the Company.

27. Governing Law

The terms of this Plan are governed by the laws of the State of New South Wales.