

# OPTION PLAN RULES

STRAXCORP PTY LTD

JOHNSON WINTER & SLATTERY  
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## Contents

<b>1</b>	<b>Definitions and interpretation</b>	<b>1</b>
1.1	Definitions	1
1.2	Interpretation	4
<b>2</b>	<b>Introduction</b>	<b>5</b>
2.1	Purpose	5
2.2	Application of subdivision 83-AC	5
<b>3</b>	<b>Offer, application and acceptance</b>	<b>5</b>
3.1	Eligibility	5
3.2	Offer may be made	6
3.3	Terms of Offer	6
3.4	Application	6
3.5	Acceptance of Offer	6
3.6	When Applications will not be accepted	7
3.7	Discretion not to accept	7
3.8	No disclosure document	7
3.9	Participant agrees to be bound	7
3.10	Lapse of Offer	7
<b>4</b>	<b>Consideration for grant of Options</b>	<b>7</b>
<b>5</b>	<b>Right in respect of Options</b>	<b>8</b>
5.1	Rights in respect of Options	8
5.2	Agreement to be a member	8
<b>6</b>	<b>Vesting of Options</b>	<b>8</b>
6.1	When Options vest	8
6.2	Lapse	8
<b>7</b>	<b>Exercise of Options</b>	<b>8</b>
7.1	Waiver of Vesting Conditions	8
7.2	Method of Exercise	8
7.3	No issue unless cleared funds	9
7.4	Not used	9
7.5	Actions on Exercise	9
7.6	Ranking	9
7.7	Partial exercise	9
7.8	Lapse of Vested Options	9
<b>8</b>	<b>New issues and capital reconstructions</b>	<b>9</b>
<b>9</b>	<b>Cessation of employment</b>	<b>10</b>
9.1	Good Leaver	10
9.2	Bad Leaver	10
9.3	Board discretion	11
9.4	Extended meaning of "Participant"	11

<b>10</b>	<b>Breach, fraud or misconduct</b>	<b>11</b>
<b>11</b>	<b>Exit Event</b>	<b>12</b>
11.1	Exit Event	12
<b>12</b>	<b>Dealings with Options</b>	<b>12</b>
12.1	Options personal	12
12.2	No unauthorised Dealing	13
12.3	Permitted transfers	13
<b>13</b>	<b>Dealings with Shares</b>	<b>13</b>
<b>14</b>	<b>Power of Attorney and proxy</b>	<b>14</b>
14.1	Appointment of Attorney	14
14.2	Appointment of proxy	Error! Bookmark not defined.
14.3	Ratification of Actions	14
14.4	Release	15
14.5	Indemnity	15
<b>15</b>	<b>Shareholder approval may be required</b>	<b>15</b>
<b>16</b>	<b>Administration of Plan</b>	<b>15</b>
16.1	Board to administer Plan	15
16.2	Powers and discretions	15
16.3	Delegation of powers and discretions	15
16.4	Documents	15
16.5	Board decision - final and conclusive	16
16.6	Suspension and cancellation of Plan	16
<b>17</b>	<b>Amendment of the Plan</b>	<b>16</b>
17.1	Board may amend	16
17.2	Accrued rights	16
17.3	Retrospective amendment possible	16
<b>18</b>	<b>Miscellaneous</b>	<b>16</b>
18.1	Rights of Participants	16
18.2	Listing	17
18.3	No claim	17
18.4	Instructions by Participants	17
18.5	Compliance with law	17
18.6	Waiver	17
18.7	Severance	17
18.8	Notices	17
18.9	Expenses of the Plan	18
18.10	Independent legal advice	18
18.11	Payments net of tax	18
18.12	Further steps	18
18.13	Construction	18
18.14	Inconsistency	18
18.15	Governing law	18
18.16	Jurisdiction	19
18.17	Non-residents of Australia	19

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<b>19</b>	<b>Data protection</b>	<b>19</b>
19.1	Collection and purpose	19
19.2	Consent	19
19.3	Access to personal information	19

# STRAXCORP PTY LTD

## OPTION PLAN RULES

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### 1 Definitions and interpretation

#### 1.1 Definitions

In these Rules these terms have the following meanings:

**Application** means an application for Options made by an Employee under the terms of an Offer.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691).

**Bad Leaver** has the meaning in clause 9.2.

**Board** means the board of directors of the Company.

**Business Day** means a day on which banks are open for business excluding Saturdays, Sundays and public holidays in Melbourne, Victoria.

**Claim** means any allegation, debt, cause of action, liability, claim, proceeding, suit or demand of any nature howsoever arising and whether present or future, fixed or unascertained, actual or contingent whether at law, in equity, under statute or otherwise.

**Company** means StraxCorp Pty Ltd ACN 140 706 618.

**Constitution** means the constitution of the Company.

**Control** has the meaning given in section 50AA of the Corporations Act.

**Corporate Control Event** means any transaction or series of related transactions other than a Listing pursuant to which any Person or group of Persons acting in concert acquire(s):

- (a) the shares of the Company possessing the voting power to elect a majority of the Board (whether by amendment, takeover, scheme of arrangement, merger, consolidation, reorganization, combination, sale or transfer of the Company's shares, shareholder or voting agreement, proxy, power of attorney or otherwise);
- (b) all or substantially all of the Company's assets determined on a consolidated basis; or
- (c) fifty percent (50%) or more of the issued shares of the Company,

in each case as determined by the Board, but excludes a solvent corporate reorganisation of any Group Member; or

- (d) any other event that the Board reasonably considers should be regarded as a Corporate Control Event.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Deal or Dealing** means:

- (a) to sell, transfer, assign, novate, swap, declare a trust over, grant a Security Interest over, dispose of or otherwise alienate or deal with any legal or equitable interest in the Option; or
- (b) taking any steps or attempting to do any of the things set out in paragraph (a).

**Disposal Restrictions** means, in relation to an Option or a Share issued on exercise of an Option, each restriction specified as such in the Offer for that Option or Share.

**Employee** means:

- (a) a person who is in the full-time or part-time permanent employment of a Group Member;
- (b) a non-executive or executive director of a Group Member; or
- (c) a consultant or contractor to a Group Member.

**Employee relevant to a Participant** means, where Options held other than by an Employee, the Employee to whom an Offer was originally made but who then renounced the Offer in favour of that Participant where permitted under these Rules and the Offer.

**Employer** means any Group Member and in relation to any particular Participant means the Group Member by which that Participant or Employee relevant to a Participant is employed.

**Encumbrance** means any mortgage, lien, charge, pledge, assignment by way of option, option interest, title retention, preferential right or trust arrangement, Claim, covenant, profit a prendre, easement or any other option arrangement or any other arrangement having the same effect or any agreement to create any of them and **Encumber** has a corresponding meaning.

**Exercise Period** means the period commencing on the First Exercise Date and ending on the Last Exercise Date.

**Exercise Price** means the exercise price in respect of an Option as set out in the Offer.

**Exit Date** means:

- (a) in respect of a Corporate Control Event, the date on which the parties complete the relevant transaction or the date otherwise determined by the Board; or
- (b) in respect of a Listing, the date of admission of the IPO Entity to the official list of ASX or any other recognised securities exchange.

**Exit Event** means a Corporate Control Event or a Listing.

**First Exercise Date** means, with respect to an Option, the date specified in an Offer.

**Good Leaver** has the meaning given in clause 9.1.

**Group** means the Company and its subsidiaries and **Group Member** has a corresponding meaning.

**Holding Lock** means a restriction or limitation on the right of a Participant to Deal in Shares allocated to the Participant pursuant to the Plan.

**Holding Lock Period** has the meaning given in clause **Error! Reference source not found.**

**Immediate Family Member** means, in relation to a person:

- (a) the person's spouse; or
- (b) a person who is wholly or partly dependent on the person for financial support.

**Interest** means in relation to a person, all legal or equitable interests in the subject matter held or acquired by that person whether direct or indirect, and includes any economic interest in the subject matter arising under any transaction entered into by the person in respect of the subject matter.

**Invitation** means the invitation containing the Offer to participate in the Plan.

**IPO Entity** means a Group Member or a special purpose vehicle formed for the purpose of a Listing which directly or indirectly owns all or substantially all of the business of the Group.

**Last Exercise Date** means:

- (a) the date specified in an Offer; or
- (b) or if no date is specified in an Offer, the date that is 5 years after the issue date of the Options.

**Legal Personal Representative** means the executor of the will or an administrator of the estate of a deceased person, the trustee of the estate of a person under a legal disability or a person who holds an enduring power of attorney granted by another person.

**Listing** means the lodgement with ASIC by an IPO Entity of a prospectus for the offer for sale and/or issue of its shares in connection with a proposal of the IPO Entity to seek admission to the official list of ASX or any other recognised securities exchange.

**Market Value** means the market value of Shares as determined using a valuer or a valuation methodology approved for tax purposes (if applicable) or as approved by the Board.

**Notice of Exercise** means a notice provided to the Company within the relevant exercise period (if any) as described in the Offer notifying the Company that the Participant wishes to exercise some or all of their Vested Options.

**Offer** means an offer of Options to an Employee under the Plan.

**Option** means the option to acquire a fully paid Share subject to the terms of the Offer and these Rules.

**Participant** means, as the context requires:

- (a) an Employee who is participating in the Plan; or
- (b) a Permitted Holder,

who holds Options issued under the Plan or Shares issued on the exercise of Options issued under the Plan and includes, if a Participant dies or becomes subject to a legal disability, the Legal Personal Representative of the Participant.

**Permitted Holder** means the categories of persons defined in clause 3.5(b)(i)-(iii).

**Plan** means the Option Plan of the Company constituted by these Rules.

**Purpose** means, in relation to the collection of personal information as contemplated by clause 19, the operation and the administration of the Plan.

**Retirement** means the termination of an Employee's engagement with the relevant Group Member as an employee at the volition of the Employee and by reason of:

- (a) the attainment of the age of sixty-five years or such other age as the Company from time to time specifies as the age for retirement for the purposes of the Plan; or
- (b) the attainment of the age of fifty-five years or such other age as the Company from time to time specifies as the age for early retirement for the purposes of the Plan if the written consent of the relevant Group Member is obtained to such early retirement.

**Rules** means the rules governing the operation of the Plan set out in this document as amended from time to time.

**Security Interest** means a mortgage, charge, pledge, lien, encumbrance or other third party interest of any nature (including the registration and/or perfection of that security interest under the *Personal Property Securities Act 2009* (Cth)).

**Share** means a fully paid ordinary share in the capital of the Company.

**Share Trading Policy** means any share trading policy implemented (or amended) by the Company from time to time.

**Tax Act** means the *Income Tax Assessment Act 1936* (Cth) or the *Income Tax Assessment Act 1997* (Cth) or both, as the context requires.

**Unvested Option** means an Option that is not a Vested Option.

**Vested Option** means an Option in respect of which all of the Vesting Conditions have been satisfied or waived.

**Vesting Conditions** means the performance, vesting or other conditions (if any) determined by the Board and specified in an Offer which are, subject to these Rules, required to be satisfied, reached or met before an Option vests and can, during the Exercise Period, be exercised.

**Vesting Date** means the date of issue of a Vesting Notice.

**Vesting Notice** has the meaning given to it in clause 6.1(b).

**Vesting Period** means the period (if any) determined by the Board and specified in the terms of an Offer during which any Vesting Conditions are required to be satisfied (unless such Vesting Conditions are waived in accordance with these Rules) before the Options vest and can, during the Exercise Period, be exercised.

## 1.2 Interpretation

In these Rules the following Rules of interpretation apply unless the contrary intention appears:

- (a) headings are for convenience only and do not affect the interpretation of these Rules;
- (a) the singular includes the plural and vice versa;
- (b) words that are gender neutral or gender specific include each gender;
- (c) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;
- (d) the words 'such as', 'including', 'particularly' and similar expressions are not used as, nor are intended to be, interpreted as words of limitation;
- (e) a reference to:
  - (i) a person includes a natural person, partnership, joint venture, government agency, association, corporation or other body corporate;
  - (ii) a thing (including, but not limited to, a chose in action or other right) includes a part of that thing;
  - (iii) a party includes its successors and permitted assigns;
  - (iv) a document includes all amendments or supplements to that document;



- (v) a clause, term, party, schedule or attachment is a reference to a clause or term of, or party, schedule or attachment to these Rules;
- (vi) these Rules includes all schedules and attachments to it;
- (vii) a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity and is a reference to that law as amended, consolidated or replaced;
- (viii) an agreement other than these Rules includes an undertaking, or legally enforceable arrangement or understanding, whether or not in writing; and
- (ix) a monetary amount is in Australian dollars;
- (f) a term which is defined in the Corporations Act but is not defined in these Rules, has the meaning given to it in the Corporations Act;
- (g) an agreement on the part of two or more persons binds them severally;
- (h) when the day on which something must be done is not a Business Day, that thing must be done on the following Business Day;
- (i) in determining the time of day, where relevant to these Rules, the relevant time of day is:
  - (i) for the purposes of giving or receiving notices, the time of day where a party receiving a notice is located; or
  - (ii) for any other purpose under these Rules, the time of day in the place where the party required to perform an obligation is located; and
- (j) no rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of these Rules or any part of it.

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## **2 Introduction**

### **2.1 Purpose**

The purpose of the Plan is to:

- (a) assist in the reward, retention and motivation of eligible Employees; and
- (b) align the interests of eligible Employees more closely with the interests of the Company's shareholders, by providing an opportunity for eligible Employees to acquire an ownership interest in the Company.

### **2.2 Application of subdivision 83-AC**

Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth) applies to these Rules, the Plan and Options issued pursuant to the Plan, subject to the requirements of that Act.

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## **3 Offer, application and acceptance**

### **3.1 Eligibility**

The Board may in its discretion determine the Employees who are eligible to participate in the Plan from time to time.

### 3.2 Offer may be made

From time to time, the Company may make an Offer to an Employee who is eligible to participate in the Plan in accordance with clause 3.1.

### 3.3 Terms of Offer

- (a) An Offer to an Employee may be made on such terms as the Board decides from time to time, including as to:
  - (i) the number of Options being offered;
  - (ii) the issue Price (if any) or the manner of determining the issue Price (if any) of the Options;
  - (iii) the First Exercise Date of the Options;
  - (iv) the Last Exercise Date of the Options;
  - (v) the Exercise Price (if any) or the manner of determining the Exercise Price (if any) of the Options;
  - (vi) the Vesting Conditions (if any) attaching to the Options;
  - (vii) the Vesting Period (if any) applicable to the Options;
  - (viii) the method of acceptance of the Offer;
  - (ix) any Holding Lock to apply to Shares issued on exercise of the Options; and
  - (x) any other terms determined by the Board from time to time.
- (b) An Offer must be evidenced by an Invitation which contains the information set out in clause 3.3(a).
- (c) Subject to these Rules:
  - (i) Invitations may be made by the Board on a differential basis to Employees who are eligible to participate in the Plan; and
  - (ii) the timing and frequency of Invitations will be determined by the Board.

### 3.4 Application

Following receipt by an Employee of an Invitation, the Employee may apply for the Options to be issued to him or her (or if permitted by the Board, a person or entity contemplated by clause 3.5(b)) by delivering to the Company a duly completed and executed Application within the time specified in the Invitation.

### 3.5 Acceptance of Offer

- (a) Subject to clauses 3.6 and 3.7, following receipt by the Company of a duly completed and executed Application, the Company may issue the Options referred to in the Invitation to the Employee (or if permitted by the Board, a person or entity contemplated by clause (b)).
- (b) To the extent permitted by the Constitution, the Board may, in its sole discretion, structure an Offer so that the Offer is made to a specific Employee but on terms that the Employee may renounce the Offer in favour of a person covered by one of the following sub-paragraphs, who then becomes an applicant for the purpose of these Rules, and who also becomes a **Permitted Holder** upon the issue of the Options to such person:

- (i) a self-managed superannuation fund (within the meaning of the *Superannuation Industry (Supervision) Act 1993*) for which the Employee Controls the trustee;
  - (ii) a company whose members comprise no persons other than the Employee or Immediate Family Members of the Employee; or
  - (iii) an Immediate Family Member of the Employee.
- (c) The Company must issue to a Participant a certificate in respect of the Options issued to them.

### **3.6 When Applications will not be accepted**

Without limiting clause 3.7, an Application will not be accepted if, at the date the Application would otherwise be accepted:

- (a) the Employee to whom the Offer was made is not or is no longer in the full-time or part-time permanent employment of a Group Member or has otherwise ceased to be an Employee;
- (b) the Employee to whom the Offer was made has given the Company or another relevant Group Member notice of his or her resignation as an Employee; or
- (c) the Employee to whom the Offer was made has been given notice of termination of employment as an Employee.

### **3.7 Discretion not to accept**

The Board may in its absolute discretion determine that an Application by an Employee who would otherwise be eligible to participate under these Rules or a person or entity referred to in clause 3.5(b) will not be accepted.

### **3.8 No disclosure document**

The Company has no obligation to make any Offer to any Employee or Participant or to accept any Application from any Employee or Participant if to do so would require the Company to issue a disclosure document under Chapter 6D of the Corporations Act or a product disclosure statement under Chapter 7 of the Corporations Act.

### **3.9 Participant agrees to be bound**

Each Participant, by accepting an Offer, agrees to be bound by:

- (a) the terms of the Offer (including the Invitation and Application);
- (b) the provisions of these Rules; and
- (c) when Shares are issued to the Participant on exercise of an Option, the Constitution, as amended from time to time.

### **3.10 Lapse of Offer**

Unless otherwise determined by the Board, an Offer will lapse if a duly completed and executed Application is not delivered to the Company within the time specified in the Invitation.

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## **4 Consideration for grant of Options**

Except as otherwise determined by the Board and as set out in an Offer, no monetary consideration will be payable for the grant of Options.

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## **5 Right in respect of Options**

### **5.1 Rights in respect of Options**

- (a) No Option will give a Participant any interest in Shares the subject of that Option until that Option has been vested and exercised, and those Shares are issued to the Participant as a result.
- (b) Each Option, once vested, gives the relevant Participant the right to receive upon exercise of such Option, the number of Shares calculated in accordance with the Offer, subject to the terms of these Rules.

### **5.2 Agreement to be a member**

Each Participant agrees to become a member of the Company upon any Shares being issued to the Participant on exercise of an Option (to the extent that Participant is not already a member).

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## **6 Vesting of Options**

### **6.1 When Options vest**

- (a) Options will vest:
  - (i) on the Vesting Date or, if the testing date for the Vesting Condition is specified to be a different date in the Offer, that testing date, to the extent that the Vesting Conditions are satisfied or waived at that date; and
  - (ii) otherwise subject to these Rules and the Offer.
- (b) Upon the Company determining that any Options have vested in accordance with clause 6.1(a) or will not vest, the Company must give written notice of such vesting or non-vesting, as applicable (**Vesting Notice**) to the Participant specifying the number of Options that have become Vested Options or otherwise. The Company will use reasonable endeavours to give the Vesting Notice as soon as reasonably practicable upon satisfaction and/or waiver of the applicable Vesting Conditions.

### **6.2 Lapse**

If the Vesting Conditions have not been satisfied or waived on or by the Vesting Date, any Unvested Options will immediately lapse and be cancelled.

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## **7 Exercise of Options**

### **7.1 Waiver of Vesting Conditions**

The Board may, at its discretion, by notice to the Participant reduce or waive the Vesting Conditions attaching to Options in whole or in part at any time and in any particular case, subject to clause 6.2 and clause 15.

### **7.2 Method of Exercise**

- (a) An Option may only be exercised if the applicable Vesting Conditions have been satisfied, waived by the Board or are deemed to have been satisfied under these Rules and a Vesting Notice has been received by the Participant with respect to that Option.
- (b) An Option may only be exercised at any time during the Exercise Period by:
  - (i) delivery to the Company of a signed Notice of Exercise;

- (ii) delivery to the Company of the Option certificate or documentary evidence satisfactory to the Board that the Option certificate was lost or destroyed; and
- (iii) subject to clause **Error! Reference source not found.**, payment of the Exercise Price (if any).

### **7.3 No issue unless cleared funds**

Subject to clause **Error! Reference source not found.**, the Company will not, unless otherwise determined by the Directors, issue any Shares to a Participant until after any cheque or EFT delivered in payment of the relevant Exercise Price (if any) has been cleared by the relevant banks.

### **7.4 Not used**

### **7.5 Actions on Exercise**

As soon as practicable after the exercise of any Options and the payment of the Exercise Price (if any) in accordance with clauses 7.2 and 7.3 or an election under clause **Error! Reference source not found.**, the Company must:

- (a) cancel the Options; and
- (b) issue new Shares to a Participant to satisfy the rights attaching to the Vested Options.

### **7.6 Ranking**

Unless otherwise specified in an Offer, Shares issued on the exercise of Vested Options will rank equally with all existing Shares from the date of issue.

### **7.7 Partial exercise**

The exercise of some Options does not affect the Participant's right to exercise other Options at a later time.

### **7.8 Lapse of Vested Options**

Unless otherwise specified in the terms of issue or determined otherwise by the Board in accordance with these Rules, an Option which has vested with a Participant lapses on the earlier of:

- (a) the Last Exercise Date; or
- (b) the date otherwise determined by the Board in accordance with these Rules.

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## **8 New issues and capital reconstructions**

- (a) Other than pursuant to any Offer and the terms of these Rules, the Options do not confer on a Participant the right to participate in new issues of Shares or other securities in the Company, including by way of bonus issues, rights issues or otherwise. A Participant may only participate in a new issues of Shares or other securities in the Company if a Share has been issued to the Participant in respect of the exercise of an Option and only to the extent that the rights attaching to such Share include the right to participate in the new issue.
- (b) In the event of any reorganisation of the issued share capital of the Company before the exercise or vesting of an Option, the Board may make appropriate adjustments to:
  - (i) the number of Options or the number of Shares to be delivered in respect of each Option; and/or
  - (ii) the Exercise Price,

by taking into account the effect of the relevant reorganisation in a manner which neither disadvantages nor advantages the Participants, nor adversely effects the rights of holders of shares in the Company, in any material respect.

- (c) If the Board determines that clauses 8(a) and 8(b) are not appropriate in any particular circumstance or that an event which is not dealt with by clauses 8(a) and 8(b) should have been dealt with, it may make any alterations to these Rules that it considers to be appropriate.

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## 9 Cessation of employment

### 9.1 Good Leaver

- (a) If a Participant ceases, in the opinion of the Board, to be an Employee because:
  - (i) the Participant reaches the relevant age of Retirement;
  - (ii) of illness, incapacity or the death of the Participant or the Participant's spouse or domestic partner;
  - (iii) the business unit of the Group within which the Participant is employed is sold or otherwise disposed of, and he or she has not been employed by another business unit of the Group on terms no less favourable than those on which he or she was previously employed by the Group;
  - (iv) the Participant's employment agreement is not renewed by the relevant Group Member in circumstances other than where the Participant has been in breach of his or her employment agreement;
  - (v) of redundancy of the Participant's position (other than a redundancy which the Participant agrees in writing will result in the Participant being treated as a Bad Leaver for the purposes of these Rules);
  - (vi) the Participant's employment is terminated by the relevant Group Member in circumstances other than where the Participant has been in breach of his or her employment agreement or in circumstances that would entitle the relevant Group Member to dismiss the Participant summarily;
  - (vii) the relevant Group Member becomes insolvent; or
  - (viii) of any other circumstance determined by the Board,
 then that Participant will be a **Good Leaver**.
- (b) Subject to clauses 9.3 and 10, if the Participant is a Good Leaver then:
  - (i) the Participant will be entitled to retain the Vested Options held by the Participant; and
  - (ii) the Participant will be entitled to retain any Unvested Options held by the Participant on such conditions as the Board may, in its absolute discretion, determine.

### 9.2 Bad Leaver

- (a) A Participant will be a Bad Leaver if the Participant:
  - (i) ceases to be an Employee for any reason other than a reason which would make Participant a Good Leaver;

- (ii) the Participant resigns from the Group in order to commence employment with another employer whose activities include or in any way relate to bone health or another field that is, or could reasonably be expected to be, competitive with the activities of the Group in any way or respect (unless the Board otherwise determines);
- (iii) becomes insolvent or bankrupt or resolves to wind up or be deregistered or undertakes some similar act;
- (iv) holds Options to which he or she is entitled via an investment vehicle which he or she controls and that investment vehicle suffers a change in Control; or
- (v) who is a Permitted Holder ceases to be:
  - (A) a self-managed superannuation fund (within the meaning of the *Superannuation Industry (Supervision) Act 1993*) for which the Employee relevant to a Participant Controls the trustee;
  - (B) a company whose members comprise no persons other than the Employee relevant to a Participant or Immediate Family Members of the Employee relevant to a Participant; or
  - (C) an Immediate Family Member of the Employee relevant to a Participant other than in circumstances contemplated by clause 9.1(a).
- (b) If the Participant is a Bad Leaver then:
  - (i) any Unvested Options held by Participant immediately lapse, in each case subject always to clauses 9.3 and 10; and
  - (ii) subject to clause 10, the Participant will be entitled to retain such Vested Options held by the Participant.

### 9.3 Board discretion

Notwithstanding the provisions of clauses 9.1 or 9.2, the Board may, subject to clause 15 and compliance with the Corporations Act, determine to treat any Unvested Options in a manner different to the manner set out in clause 9.1(b) or 9.2(b) (including without limitation determining that such Unvested Options neither vest nor lapse, or cancelling the Unvested Options), whether with or without compensation, if the Board determines that the relevant circumstances warrant such treatment. Any such determination must be made within 3 months of the date the Participant ceases to be employed.

### 9.4 Extended meaning of “Participant”

For the purposes of this clause 9, all references to a Participant include an Employee relevant to a Participant as the context requires.

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## 10 Breach, fraud or misconduct

If the Board determines that a Participant (or the Employee relevant to that Participant where the Participant is a Permitted Holder) at any time:

- (a) has been dismissed or removed from office for a reason which entitles a body corporate in the Group to dismiss the Participant (or relevant Employee) without notice;
- (b) has been convicted on indictment of an offence against the Corporations Act in connection with the affairs of the Company or any body corporate in the Group;
- (c) has had a judgement entered against him or her in civil proceedings in respect of the contravention by the Participant (or relevant Employee) of his or her duties at law, in equity or

under statute in his or her capacity as an executive or director of the Company or any body corporate in the Group;

- (d) has committed an act of fraud, defalcation or gross misconduct in relation to the affairs of that body corporate (whether or not charged with an offence);
- (e) is in material breach of any of his or her duties or obligations to a body corporate in the Group; or
- (f) has done an act which brings the Group or any body corporate in the Group into disrepute,

the Board may determine that:

- (g) all Options (vested and unvested) held by the relevant Participant will lapse on the date determined by the Board; and
- (h) notwithstanding any other provision of these Rules, that any Shares issued on exercise of options will not be released from any Holding Lock applied to those Shares before the expiry of the relevant period of the Holding Lock or will be subject to a Holding Lock of such lesser duration as determined by the Board.

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## **11 Exit Event**

### **11.1 Exit Event**

- (a) If an Exit Event occurs any Unvested Options held by a Participant are released from applicable Vesting Conditions and immediately vest.
- (b) If the Board expects an Exit Event to occur then the Board may in its discretion (and subject to all applicable law), by notice to the Participants:
  - (i) in the case of Vested Options, require that all Vested Options be exercised on a date determined by the Board, in which case, if they are not exercised on the date determined (or amended), they will lapse on a date specified by the Board; and
  - (ii) in the case of Unvested Options either:
    - (A) reduce or waive any applicable Vesting Conditions and require those options to be Exercised on or before the Exit Date pertaining to the relevant Exit Event or such other date specified by the Board;
    - (B) bring forward the First Exercise Date;
    - (C) bring forward the Last Exercise Date;
    - (D) vesting a portion or all of the Unvested Options held by a Participant; or
    - (E) do nothing and allow any Unvested Options to stay 'on foot'.

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## **12 Dealings with Options**

### **12.1 Options personal**

Except where an Option has been transferred under clause 12.3, an Option held by a Participant is personal to the Participant and may not be exercised by another person.



## 12.2 No unauthorised Dealing

Except as permitted under clause 12.3, a Participant must not Deal with an Option or an interest in an Option, and any purported Dealing will not be recognised in any manner by the Company.

## 12.3 Permitted transfers

A Vested Option may be transferred, by an instrument of transfer, approved by the Board in such circumstances as may be determined by the Board in its absolute discretion and having regard to the requirements of section 707 of the Corporations Act.

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## 13 Dealings with Shares

- (a) The Board may at its discretion, when making an offer of Options to an Employee under clause 3.3(a), specify that a Holding Lock will be applied to the Shares issued on exercise of those Options. The Holding Lock may be applied from the date of exercise until the expiration of 15 years from the issue date of the Options (**Holding Lock Period**).
- (b) If a Holding Lock applies to the Shares:
  - (i) for the duration of the Holding Lock Period Shares issued under the Plan will not be transferable and Participants may not Deal in the Shares (including by creating any Security Interest over them other than a Security Interest in favour of the Company);
  - (ii) the Company may implement any procedure it considers appropriate to restrict the Participant from Dealing with the Shares while the Holding Lock is in place; and
  - (iii) during the Holding Lock Period, each Participant agrees that the Shares issued pursuant to clause 7 will be subject to a Holding Lock and undertakes not to request (or permit or procure another person to request) removal of the Holding Lock,

except that, subject to any other express provisions of these Rules to the contrary, some of the Shares may be released in accordance with column 2 of the table below upon the event in column 1 of the table below occurring.

Event	Adjustment to Holding Lock
The Participant demonstrates to the satisfaction of the Board that they are experiencing severe financial hardship	At the discretion of the Board, the Holding Lock will be released, and the Participant will be entitled to dispose of, such number of Shares as are in the Board's opinion necessary to relieve the Participant from severe financial hardship.
The Participant's employment with the Company any other Group Member ceases and the Participant is a Good Leaver.	<p>All the Shares acquired as a result of the exercise of Options will be released from the Holding Lock upon the last to occur of:</p> <ul style="list-style-type: none"> <li>(a) the date of cessation of employment with the Company or another Group Member (or as soon as practicable thereafter); and</li> <li>(b) the period of 12 months from the date of grant of the Options (or such earlier date determined by the Board).</li> </ul>
The Participant's employment with the Company and any other Group Member ceases and the Participant is not a Good Leaver.	<p>Either, at the discretion of the Board:</p> <ul style="list-style-type: none"> <li>(a) 50% of the Shares acquired as a result of the exercise of Options will be released from the Holding Lock upon the last to occur of:</li> </ul>

- the date of cessation of employment with the Company and any other Group Members (or as soon as practicable thereafter); and
  - the period of 12 months from the date of grant of the Options (or such earlier date determined by the Board),  
with the remaining 50% of the Shares acquired as a result of the exercise of Options to be subject to the Holding Lock until 12 months after the date of cessation of employment with the Company and any other Group Member; or
- (b) the Shares will be released from the Holding Lock at a date determined by the Board, which is earlier than the date which would be determined in accordance with (a) above.

An Exit Event occurs	Without limiting the Company's right to impose a Holding Lock for other purposes, all the Shares acquired as a result of the exercise of Options will be released from the Holding Lock on the Exit Date or such other date determined by the Board in its sole discretion.
If the Board expects an Exit Event to occur	Without limiting the Company's right to impose a Holding Lock for other purposes, the Board may in its discretion release all Shares acquired as a result of the exercise of Options from the Holding Lock on the date determined by the Board.

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## 14 Power of Attorney and proxy

### 14.1 Appointment of Attorney

At all times while a Participant holds Options, the relevant Participant irrevocably appoints the Company, any director of the Company, and any other person nominated from time to time by notice in writing by the Company (each an **Attorney**) severally, as the Participant's attorney, to:

- (a) do all acts, matters and things which the Attorney considers necessary or desirable to give effect to these Rules, including all acts, matters and things to be done in order that any Shares or Options may be registered in the name of the Participant;
- (b) execute any documents to give effect to these Rules, including execute in the name of the Participant an instrument or instruments of transfers or make any alteration or addition whatsoever which the Attorney may think fit; and
- (c) exercise all of the powers of the Participant in relation to acquisition, sale or disposal of the Participant Options or the Participant's Shares in accordance with these Rules,

and will, if requested by the Company, execute under hand or seal, any document that the Company requests for the purpose of giving further or better effect to this clause.

### 14.2 Not used

### 14.3 Ratification of Actions

The Participant will confirm and ratify everything which an Attorney may do pursuant to any powers set out in clause 14.1 and **Error! Reference source not found.** respectively and no person dealing with the Attorney shall be bound or concerned to enquire as to the occasion for or the regularity of the exercise of any such power.

#### **14.4 Release**

The Participant releases the Company, the Board, each Group Member and each Attorney from any liability whatsoever arising from the exercise of the powers conferred by this clause.

#### **14.5 Indemnity**

The Participant will indemnify and keep indemnified the Attorney against all losses, liabilities, costs, expenses, proceedings, claims, actions, demands, and damages in consequence of or arising out of the exercise by the Attorney of any of the powers granted under this clause 14.

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### **15 Shareholder approval may be required**

To the extent that the exercise of the Board's discretion under these Rules or any amendment to the terms of a Participant's Offer under the Rules would trigger the requirement for shareholder approval under section 200B of the Corporations Act:

- (a) the Company agrees to use reasonable endeavours to seek shareholder approval for the benefit under section 200E of the Corporations Act; and
- (b) the exercise of the Board's discretion or amendment to the terms of the Participant's Offer must be conditional on, and not take effect, unless and until such shareholder approval is obtained.

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### **16 Administration of Plan**

#### **16.1 Board to administer Plan**

The Plan is to be administered by the Board in accordance with these Rules. The Board has power to:

- (a) make further provisions for the operation of the Plan which are consistent with these Rules;
- (b) determine appropriate procedures for administration of the Plan consistent with these Rules; and
- (c) resolve all questions of fact or interpretation in connection with the Plan.

#### **16.2 Powers and discretions**

Any power or discretion which is conferred on the Board by these Rules may be exercised by the Board in its absolute discretion and in the interests or for the benefit of the Company, and the Board is not, in exercising any power or discretion, under any fiduciary or other obligation to any other person.

#### **16.3 Delegation of powers and discretions**

Any power or discretion which is conferred on the Board by these Rules, including the power to invite Employees to participate in the Plan and to determine the terms of the issue of Shares and/or Options to a Participant, may be delegated by the Board to a committee consisting of such directors, other officers or employees of the Company or other Group Member, or any combination of such persons as the Board thinks fit for such periods and on such conditions as the Board thinks fit.

#### **16.4 Documents**

The Company may from time to time require a person invited to participate in the Plan or a Participant to complete and return such other documents as may be required by law to be completed by that person or Participant, or such other documents which the Company considers should, for legal, taxation or administrative reasons, be completed by that person or Participant.

## **16.5 Board decision - final and conclusive**

The decision of the Board as to the interpretation, effect or application of these Rules and all calculations and determination made by the Board under these Rules are final, conclusive and binding in the absence of manifest error.

## **16.6 Suspension and cancellation of Plan**

The Board may from time to time suspend the operation of the Plan and may at any time cancel the Plan.

# **17 Amendment of the Plan**

## **17.1 Board may amend**

Subject to the Corporations Act and clause 17.2, the Board has the power to add to, delete, suspend or otherwise vary these Rules (including this clause 17).

## **17.2 Accrued rights**

No amendment of the provisions of these Rules may reduce the accrued rights of any Participant in respect of Options or Shares issued under the Plan prior to the date of the amendment, other than:

- (a) an amendment introduced primarily:
  - (i) for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legal requirements governing or regulating the maintenance or operation of the Plan or like plans;
  - (ii) to correct any manifest error or mistake;
  - (iii) to enable contributions or other amounts paid by the Company in respect of the Plan to qualify as income tax deductions;
  - (iv) to address changes in the tax treatment of employee share schemes; or
  - (v) to enable the Company or another Group Member to comply with the Corporations Act or any other legal requirement; or
- (b) with the consent of Participants who between them hold not less than 75% of the total number of Options and Shares held by all Participants immediately before the amendment is made.

## **17.3 Retrospective amendment possible**

Any amendment made under clause 17.1 may be given retrospective effect as specified in the written instrument by which the amendment is made.

# **18 Miscellaneous**

## **18.1 Rights of Participants**

Nothing in these Rules:

- (a) confers on any person any expectation to become a Participant;
- (b) confers on any Employee the right to be invited to apply for, to be offered or to receive any Options;

- (c) confers on any Participant who is an Employee, or on any Employee relevant to a Participant, the right to continue as an employee of any Employer;
- (d) affects any rights which any Employer may have to terminate the employment of any Employee; or
- (e) may be used to increase damages in any action brought against any Employer in respect of any termination of employment.

## **18.2 Listing**

Each Participant, by accepting an Offer, agrees that if 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 proposed Listing, including if required by the Company, entering into an escrow or similar agreement in respect of any Options or Shares held by the Participant on usual terms.

## **18.3 No claim**

No person, whether a Participant or otherwise, has any claim, right or interest in respect of the Plan or other property of the Plan, whether against the Company, or any other person, as a consequence of termination of the Employee's employment or appointment or otherwise, except under and in accordance with these Rules.

## **18.4 Instructions by Participants**

For the purposes of these Rules the Company and any Employer is entitled to regard any notice, direction or other communication given or purported to be given by or on behalf of a Participant (or a legal personal representative of a Participant) as valid, whether given orally or in writing.

## **18.5 Compliance with law**

Despite any other provision of these Rules or any term or condition of the participation of any Participant in the Plan, no Shares and/or Options may be issued to a Participant, nor may a Participant transfer any Shares and/or Options, if to do so would contravene the Corporations Act or any other applicable law or, unless the Board resolves otherwise, would require the directors to consent to the issue of a disclosure document for the purposes of the Corporations Act.

## **18.6 Waiver**

No failure, delay or indulgence by the Company or a Participant in exercising any power or right under these Rules operates as a waiver of such power or right. No single exercise of any power or right under this Plan precludes any other or future exercise of that (or any other) power or right.

## **18.7 Severance**

If any provision of these Rules is rendered void, unenforceable or otherwise ineffective, such avoidance, unenforceability or ineffectiveness shall not affect the enforceability of the remaining provisions.

## **18.8 Notices**

Any notice, certificate, consent, approval, waiver or other communications given by the Company or any Employer is taken to have been duly given if:

- (a) sent by electronic mail or delivered by hand; or
- (b) sent by ordinary prepaid mail,

and is taken to have been served:

- (c) if sent by electronic mail or delivered by hand, at the time of sending or delivery; or
- (d) if posted, on the first Business Day (or, if posted to a Participant's address outside Australia, seven Business Days) after the date of posting.

Delivery, transmission and postage is to the address of any Participant as indicated on the Application, any other address as the Company or any Participant may notify to the other or in the case of a Participant who is an Employee, the address of the place of business at which the Employee performs the whole or substantially the whole of the duties of his or her office or employment, and in the case of a Participant which is not an Employee, the address of the place of business at which the Employee relevant to that Participant performs the whole or substantially the whole of the duties of his or her office or employment.

## **18.9 Expenses of the Plan**

The costs and expenses of establishing, managing and administering the Plan must be borne by the Company.

## **18.10 Independent legal advice**

Each Participant and Employee relevant to a Participant acknowledges that he or she has been given the opportunity to seek independent legal and tax advice in relation to the Plan and these Rules.

## **18.11 Payments net of tax**

- (a) If, when the Company makes or is deemed to make a payment to a Participant under these Rules, the Company is obliged to deduct or withhold any amount of tax or other government levy or impost, the payment to the Participant is to be made net of the deduction or withholding.
- (b) If the Company is obliged to deduct or withhold any amount of tax or other government levy or impost in connection with the grant, vesting or exercise of Options of a Participant, the Company is entitled to sell, on behalf of the Participant, some or all of the Participant's Shares resulting from the vesting or exercise of those Options to pay that tax or other government levy or impost, unless the Participant pays to the Company the amount of that tax or other government levy or impost prior to such sale.

## **18.12 Further steps**

Each of the Company and each Participant agrees, at its own expense, to do anything reasonably requested by the Company to give effect to the provisions of these Rules and the transactions contemplated by them.

## **18.13 Construction**

No rule of construction applies to the disadvantage of the Company or a Participant (as applicable) because that person was responsible for the preparation of, or seeks to rely on, these Rules or any part of them.

## **18.14 Inconsistency**

If there is any inconsistency between these Rules and the Offer, the Offer prevail to the extent of the inconsistency, unless these Rules expressly provide otherwise.

## **18.15 Governing law**

These Rules, and Offer and any contract formed on acceptance of an Application are governed by the laws in force in Victoria, Australia and are construed and take effect in accordance with those laws.

## **18.16 Jurisdiction**

- (a) The Company and each Participant submits to the non-exclusive jurisdiction of the courts of Victoria, Australia and courts of appeal from them.
- (b) The Company and each Participant waives any right it has to object to an action being brought in those courts including by claiming that the action has been brought in an inconvenient forum or that those courts do not have jurisdiction.

## **18.17 Non-residents of Australia**

- (a) The Board may adopt additional rules of the Plan applicable in any jurisdiction outside of Australia under which Options granted under the Plan may be subject to additional or modified terms, having regard to any securities, exchange control or taxation laws or regulations or similar factors which may apply to the Participant or to any Group Member in relation to the Options. Any additional rule must conform to the basic principles of the Plan.
- (b) When an Option is granted under the Plan to a person who is not a resident of Australia the provisions of the Plan apply subject to such alterations or additions as the Board determines having regard to any securities, exchange control or taxation laws or regulations or similar factors which may apply to the Participant or to any Group Member in relation to the Options.

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# **19 Data protection**

## **19.1 Collection and purpose**

The Company needs to collect personal information about Employees for the Purpose. If this personal information is not provided to the Company, the Company may not be able to achieve the Purpose.

## **19.2 Consent**

By completing and returning an Application, an Employee authorises and instructs each Group Member and any agent of any Group Member:

- (a) to collect, disclose and transfer between each other (including those located outside Australia) any personal information as the Company may request;
- (b) to disclose any personal information to the Australian Taxation Office, ASX, ASIC or any governmental agency or authority as may be required in connection with the administration of the Plan;
- (c) to store and process personal information,

in accordance with the Purpose. An Eligible Employee may withdraw this authorisation to the extent consistent with the Company's record-keeping and other legal obligations.

## **19.3 Access to personal information**

An Eligible Employee may access any personal information held by the Company by contacting the Company Secretary and may require any personal information to be corrected if that personal information is inaccurate or incomplete.