



# Options Plan Rules

**RMA Global Limited**

24 May 2018



# Options Plan Rules

RMA Global Limited ACN 169 102 523

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<b>Part A : Defined terms and interpretation</b>	<b>3</b>
1. Defined terms and interpretation	3
<b>Part B : Plan Duration, Eligibility and Participation</b>	<b>5</b>
2. Commencement, Duration and Termination of Plan	5
3. Limit on equity to be awarded under Plan	5
4. Invitation and Application to acquire Options	6
<b>Part C : Conditions and restrictions on Options and/or Shares acquired on exercise</b>	<b>7</b>
5. Conditions generally	7
6. Vesting Conditions	8
7. Forfeiture Conditions	8
8. Exercise and delivery of Shares	9
9. Change of Control	9
10. Lapse of Options	9
<b>Part D : Participant's Rights</b>	<b>10</b>
11. Rights of Participants	10
<b>Part E : Administration of the Plan</b>	<b>11</b>
12. Administration of the Plan	11
13. Trust	11
14. Listing Rules	12
15. Amendment of Plan	12
16. Notices	13
17. Taxes	13
18. Governing law	13

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# Part A: Defined terms and interpretation

## 1. Defined terms and interpretation

### *Defined terms*

- 1.1 In these Rules the following words and expressions have the meanings indicated, unless stated otherwise:

**Application** means a properly executed document from the Eligible Person applying to acquire Options under the Plan in accordance with rules 4.5 and 4.6.

**Associate** has the same meaning as set out in Section 318(1) of the *Income Tax Assessment Act 1936 (Cth)*.

**ASX** means the Australian Securities Exchange Limited ACN 008 624 691.

**Board** means all or some of the directors of the Company acting as the board of directors or a person or committee delegated by the board of directors in accordance with rule 12.2.

**Business Day** means a day that is not a Saturday, Sunday, public holiday or bank holiday in Victoria, Australia.

**Buy-back** means the procedure by which the Company may buy-back Options held by Participants as specified in rule 9.

**Capital Reconstruction** means any of the following events:

- (a) the Company issues Shares by way of capitalisation of profits or reserves;
- (b) the Company gives Shareholders the right (pro-rata with existing shareholding and on terms including the payment of some consideration by the Shareholders on exercising the right) to subscribe for additional Shares;
- (c) the Company subdivides or consolidates its Shares;
- (d) the Company returns issued capital to holders of Shares;
- (e) the Company issues or cancels Shares on a pro-rata basis; or
- (f) the Company reorganises its issued capital in any other manner that is not referred to in (c), (d) or (e) of this definition (other than in lieu of dividends or by way of dividend reinvestment).

**Change of Control** means:

- (a) the merger or consolidation of the Company into another company;
- (b) the acquisition of more than 50% of the Shares of RMA Global Limited by one or more parties who are associated (as defined by the Corporations Act); or
- (c) any event which the Board determines, in its discretion, to be equivalent to an event referred to in (a) or (b) of the definition.

**Company** means RMA Global Limited ACN 169 102 523.

**Condition** means any or all of the Vesting Conditions and Forfeiture Conditions.

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

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

**Eligible Person** means any staff or executive of a member of the Group, who the Board determines is eligible to participate in the Plan.



**Exercise Notice** means a notice provided by or on behalf of a Participant (in the form determined by the Board from time to time) to exercise an Option in accordance with rule 5.8.

**Exercise Price** means the amount payable (if any) by a Participant to acquire a Share on the exercise of an Option as specified in the Invitation or as varied in accordance with these Rules.

**Forfeiture Conditions** means any conditions determined in accordance with rule 7 that could or may result in a Participant forfeiting any Options or any interest in an Option.

**Grant Date** means the date on which the Options are allocated to a Participant.

**Group** means the Company and any Related Bodies Corporate of the Company.

**Holding Lock** means a 'holding lock' as defined in the Listing Rules.

**Invitation** means an invitation to an Eligible Person to acquire Options under the Plan.

**Law** means the laws applicable to the operation of the Plan from time to time, including any applicable securities laws of the jurisdiction in which an Eligible Person is located at the time of receipt of a Participation Certificate

**Listing Rules** means the official listing rules of the ASX.

**Option means** a right to acquire a Share at a pre-determined exercise price granted to a Participant under this Plan.

**Participant** means an Eligible Person to whom the Board has resolved to grant Options under this Plan.

**Participation Certificate** means a certificate issued by the Company disclosing the grant of Options to a Participant in accordance with rule 4.7.

**Performance Condition** means any Vesting Condition described in rule 6.1 as a Performance Condition.

**Performance Period** means the Vesting Period during which a Performance Condition is applied.

**Plan** means the RMA Global Limited Options Plan as constituted by the Rules.

**Related Bodies Corporate** has the same meaning as set out in Section 50 of the Corporations Act.

**Rules** means the rules contained in this document known as the Plan Rules, as amended from time to time.

**Security Trading Policies** means the Company's security trading policies (if any).

**Share** means an ordinary share in the capital of the Company.

**Tax** means any tax, levy, impost, deduction, charge, rate, contribution, duty or withholding which is assessed (or deemed to be assessed), levied, imposed or made by any government or any governmental, semi-governmental or judicial entity or authority together with any interest, penalty, fine, charge, fee or other amount assessed (or deemed to be assessed), levied, imposed or made on or in respect of any or all of the foregoing.

**Term** means the period which may be specified by the Board in the Invitation during which a participant may exercise an Option.

**Unvested Options** means Options in respect of which Vesting Conditions have not been satisfied or have not been, in accordance with rule 5.7, deemed to be satisfied.

**Vested Options** means Options in respect of which Vesting Conditions have been satisfied or have been, in accordance with rule 5.7, deemed to be satisfied.

**Vesting Condition** means any condition determined in accordance with rule 6 that must be satisfied before an Option vests.

**Vesting Period** means the period starting at the Grant Date and ending at the date when the Vesting Conditions relating to the relevant Options are to be satisfied.

- 1.2 In this Plan, unless the contrary intention appears, or context otherwise requires:
- (a) a reference to any document includes any variation, replacement, or equivalent, of the document;
  - (b) a reference to a statute, or a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
  - (c) headings do not affect the interpretation of these terms and conditions;
  - (d) singular includes the plural and vice versa;
  - (e) words importing a particular gender include other genders;
  - (f) a reference in these terms and conditions to a person includes that person's administrators, successors and permitted assignees;
  - (g) a reference to "\$" or "dollar" is a reference to Australian currency;
  - (h) words or phrases that have a defined meaning are identified by the use of a capital letter;
  - (i) the word "includes" in any form is not a word of limitation;
  - (j) where a word or phrase is defined, cognate words and phrases have corresponding meanings;
  - (k) if a day on or by which an obligation must be performed or an event must occur is not on a Business Day, the obligation must be performed or the event must occur on or by the Next Business Day; and
  - (l) if any provision of these terms and conditions is invalid, unenforceable or otherwise ineffective, that invalidity, unenforceability or ineffectiveness does not affect the validity, enforceability, operation, construction or interpretation of any other provision of these terms and conditions, with the intent that the invalid or unenforceable provision will be read down or, if it is not capable of being read down, will be treated for all purposes as severable from these terms and conditions.

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## Part B: Plan Duration, Eligibility and Participation

### 2. Commencement, Duration and Termination of Plan

- 2.1 The Plan will commence on the date determined by the Board.
- 2.2 The Plan continues in operation until the Board determines the Plan is terminated, suspended or discontinued. The Board may decide to terminate or suspend the operation of the Plan either for a fixed period or indefinitely, and may also decide to end any period of suspension.
- 2.3 If the Plan terminates, is suspended or is discontinued for any reason, the accrued rights of the Participants will not be prejudiced.

### 3. Limit on equity to be awarded under Plan

- 3.1 The Board shall not invite an Eligible Person to participate in the Plan if, excluding Shares issued or allotted to a Participant who is ordinarily resident outside Australia, the total number of Shares issued or allotted pursuant to the following (adjusted, if necessary, in each case for any Capital



Reconstruction) would exceed 2.5% of the number of Shares on issue at that time:

- (a) the number of Shares which are subject of the proposed Application to acquire Options; and
- (b) the total number of Shares which are the subject of any outstanding Application to acquire Options; and
- (c) the total number of Shares issued or allotted pursuant to the Plan within the three years preceding the proposed Application; and
- (d) the total number of Shares issued, or rights or options outstanding under any other RMA Global Limited employee share plan granted, within three years preceding the proposed Application minus any Shares or options or rights that have been forfeited.

## 4. Invitation and Application to acquire Options

### *Eligibility*

- 4.1 The Board determines whether or not a person is an Eligible Person for the purposes of the Plan.

### *Invitation to participate*

- 4.2 An Invitation may only be made if approved by the Board. It must be in writing and must be made in accordance with these Rules.

### *Terms to include in Invitation*

- 4.3 The term of any Invitation are to be determined by the Board and must include the following:

- (a) the name of the Eligible Person;
- (b) the number of Options for which the Eligible Person is invited to apply;
- (c) the acquisition price (if any);
- (d) the exercise price (if any);
- (e) the term (if applicable);
- (f) whether Options will be subject to Conditions and / or whether disposal restrictions will apply to Shares acquired as a result of exercise of Options;
- (g) the closing date for submitting an Application to acquire Options; and
- (h) any other terms and conditions the Board considers appropriate.


- 4.4 An Invitation is personal to, and not transferrable by, an Eligible Person.

### *Application to participate*

- 4.5 If the Eligible Person wishes to Participate in the Plan, they must, on or before the closing date set out in the Invitation, give an Application:

- (a) to the person specified in the Invitation;
- (b) in accordance with any instructions or conditions set out in the Invitation; and
- (c) stating the number of Options for which the Eligible Person applies (which must not exceed the number specific in the Invitation).

- 4.6 Upon receiving the Application, the Board shall determine the number of Options to grant to the Eligible Person in accordance with the Invitation and the Application. The date on which this determination is made by the Board shall be the Grant Date and shall constitute the date on which



the Application is accepted and becomes binding.

- 4.7 Upon the Board making the determination referred to in rule 4.6 to grant the Eligible Person Options, the Company will grant the relevant Options to the Participant and issue a Participation Certificate.

*Transaction costs*

- 4.8 The Company may, but is not required to, bear all brokerage, commission or other transaction costs (if any) payable by a Participant in relation to acquisition of Options under the Plan and / or Shares acquired as a result of the exercise of the Options.

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## Part C: Conditions and restrictions on Options and/or Shares acquired on exercise

### 5. Conditions generally

- 5.1 A Participant is entitled to any rights which accrue to:

- (a) Options held by the Participant and may only deal with those Options in accordance with the terms of these Rules and the Invitation in respect of those Options; or
- (b) Shares acquired on exercise of Options by Participants and may only deal with those Shares in accordance with the terms of these Rules and the Invitation in respect of the Shares acquired on exercise of Options.

*No dividend or voting entitlements*

- 5.2 Options do not confer an entitlement to receive dividends, to vote at Company meetings or to capital distributions.

*Capital Reconstruction*

- 5.3 In the event of a Capital Reconstruction, subject to any provisions in the Listing Rules, the Board may adjust the number of Options held by a participant.

*Dealing and disposal restriction*

- 5.4 A Participant must not:

- (a) sell, transfer, encumber or otherwise deal with Options unless otherwise determined by the Board; or
- (b) enter into any arrangement for the purposes of hedging, or otherwise effecting their economic exposure, to the Options.

*Board may determine Conditions*

- 5.5 The Board may determine that Option to be granted to Participants will be subject to:

- (a) Vesting Conditions in accordance with rule 6; and
- (b) Forfeiture Conditions in accordance with rule 7

- 5.6 Any Conditions must be detailed in the Invitation.



### *Removal of Conditions*

- 5.7 The Board may determine at any time that any or all of the Conditions and exercise of disposal restrictions applicable to any or all of a Participant's Options have been removed or, in the case of Vesting Conditions, be deemed satisfied.

### *Entitlement to Shares*

- 5.8 Subject to the Conditions being satisfied (or the Board making a determination otherwise) and the Participant meeting the exercise requirements under rules 8 and 10, each Option will be exercised by the Participant and the holder allotted or transferred one Share upon:
- (a) payment of the Exercise Price (if greater than nil); and
  - (b) the Company receiving a completed Exercise Notice from a Participant to exercise an Option.

### *Shares acquired on exercise of Options*

- 5.9 Where a Participant acquired Shares on exercise of his or her Options, the Participant is entitled to all rights in respect of those Shares.

### *Ranking of Shares*

- 5.10 Unless otherwise determined by the Board and set out in the Invitation, Shares acquired on exercise of Options rank equally in all respects with all shareholder entitlements for the same class (but not limited to voting rights, rights issues, dividends and other distributions to, or entitlements of, holders of existing Shares) which have a record date for determining entitlements on or after acquisition.

## 6. Vesting Conditions

### *Board may determine Vesting Conditions*

- 6.1 The nature and content of the Vesting Conditions (including the Vesting Period) are determined by the Board and may include conditions relating to any or all of:
- (a) continuing employment;
  - (b) performance of the Participant;
  - (c) performance of the Company;
  - (d) the company's share price;
  - (e) the achievement of specific targets; or
  - (f) the occurrence of specific events.


A Condition of the nature described in paragraphs (b), (c), (e) or (f) constitutes a **"Performance Condition"**.

## 7. Forfeiture Conditions

### *Board may determine Forfeiture Conditions*

- 7.1 Unless determined otherwise by the Board, while Options are held by a Participant, they are subject to forfeiture if any of the following Forfeiture Conditions are satisfied:
- (a) the Options are not exercised before the end of the Term;



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- (b) if the Participant ceases employment for any reason; or
  - (c) if the Board determines that any of the Vesting Conditions have not been or cannot be satisfied for any reason.

## 8. Exercise and delivery of Shares

### *Exercise Conditions*

- 8.1 The Participant will not be able to exercise the Options to acquire Shares until the Vesting Conditions are satisfied.
- 8.2 If at the time of exercise, the Participant is prevented from buying or selling Shares under the Securities Trading Policy, the exercise of Options will be delayed until such time as the Participant is permitted to buy or sell Shares.

### *Actions on Exercise*

- 8.3 On the exercise of Options in accordance with rule 5.8, the Company must:
  - (a) cancel the Options; and
  - (b) allot and transfer the number of Shares which the Participant was entitled to acquire through the exercise of Options, which may be sourced by way of new issue or on-market purchase.

## 9. Change of Control

### *Treatment on Change of Control*

- 9.1 If the Company becomes, or in the opinion of the Board is likely to become, subject to a Change of Control, the Board may at its absolute discretion make a determination that some or all of a Participant's Unvested Options vest and allow the Participant to:
  - (a) exercise the Vested Options in order to be able to dispose of the underlying Shares; or
  - (b) request the Company Buy-back the Options for market value (determined in accordance with rule 9.2).

### *Market Value of Options*


- 9.2 Unless otherwise determined by the Board, the Market Value of an Option is equal to the closing price of a Share traded on the ASX on the relevant date less the exercise price (if any).

## 10. Lapse of Options

### *Conditions*

- 10.1 Options will lapse and be incapable of exercise on the earlier to occur of the following:
  - (a) the date the term ends (if applicable);
  - (b) the date Options are forfeited;
  - (c) the date the Company commences to be wound up; or
  - (d) the date otherwise determined by the Board.

### *Effect of Lapse*

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- 10.2 In the event Options lapse in accordance with rule 10.1, the acquisition price of Options (if any) paid by the Participant as consideration for the grant of Options will be refunded in full to the Participant.
- 10.3 A Participant will have no rights, benefits or entitlement attaching to Options, including the right to any proceeds, from any Options which lapse in accordance with rule 10.1 and releases and holds harmless the Company in respect of any claim in respect thereof.

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## Part D: Participant's Rights

### 11. Rights of Participants

#### *No effect on contract of employment*

11.1 Nothing in these Rules:

- (a) confers on a Participant the right to receive any Options;
- (b) confers on a Participant the right to continue as an Eligible Person;
- (c) affects any rights which the Company may have to terminate the employment of any Eligible Person; or
- (d) may be used to increase damages in any action against the Company in respect of any such termination.

#### *Enforcement of rights*

- 11.2 These Rules, any determination of the Board made pursuant to the Rules, and the terms and conditions of any Options granted under the Plan will be deemed to form a contract between the Company and the Participant in a court of competent jurisdiction. Each party will in addition to damages be able to seek specific performance of the contract between them as far as specific performance is applicable under a court of competent jurisdiction.

#### *Attorney*

- 11.3 The Participant irrevocably appoints the person who from time to time occupies the position of secretary of the Company (or the secretary's authorised delegate) as his or her attorney to complete and execute any documents including share transfers and to do all acts or things in his or her name on his or her behalf which may be convenient or necessary for the purpose of giving effect to the provisions of these Rules.
- 11.4 The Participant covenants that the Participant will ratify and confirm any act, or thing done, pursuant to power granted to the attorney (or the attorney's duly authorised delegate) under rule 11.3 and will indemnify the attorney (or his duly authorised delegate) in respect of any or act, or thing done, by the attorney in exercising the power.

#### *Applicability of Rules to Participants in particular countries*

- 11.5 Where a grant is made under this Plan to an Eligible Person who does not reside in Australia, the Rules of the Plan apply subject to any alterations or additions as the Board sees fit having regard to any applicable laws, matters of convenience or similar factors which may have application to the Eligible Person or to the Company in relation to the grant.

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## Part E: Administration of the Plan

### 12. Administration of the Plan

#### *Management by Board*

- 12.1 (a) The Board must administer the Plan in accordance with these Rules, the Constitution and any applicable laws.
- (b) No act will be done or determination made in accordance with these Rules where to do so would be a breach of any applicable laws, Listing Rules, or the constituent documents of the Company and where any such act is done or determination made, it will be considered voidable and to the extent possible be unwound and of no effect in respect of the Options.
- (c) Every exercise of a power or discretion by the Company or the Board and any decision by the Company or the Board regarding the interpretation, effect or application of these Rules:
- (i) is made at its absolute and sole discretion;
  - (ii) may be made at any time; and
  - (iii) is final, conclusive and binding.
- (d) The Board may exercise any power or discretion conferred on them by these Rules in the interest of, or for the benefit of the Company, and in so doing the Board is not required to act in the interests of another person or as requested by another person and will not be under any fiduciary obligation to another person.

#### *Delegation of power by Board*

- 12.2 (a) The Board may delegate some or all of its powers and functions under the Plan to a person or to a committee of two or more persons.
- (b) Where the Board has delegated a power or function to a person or to a committee, references in this Plan to the Company or Board in relation to that power or function will be read as references to that person or committee, as the case may be.


#### *Board may receive instructions from Participant's legal representative*

- 12.3 (a) Any communication received by the Company from a Participant's duly appointed legal representative will be deemed a communication from the Participant.
- (b) The Board reserves the right to make any inquiries or investigations that are necessary to satisfy itself, should there be any doubt, that the representative has been properly appointed.

### 13. Trust

#### *Appointment of trustee*

- 13.1 The Company may appoint a Trustee, on terms and conditions that it considers appropriate, to do all such things and perform all such functions as considered appropriate to enable the implementation of the Plan, including to acquire and hold Shares, or other securities of the



Company, on behalf of Participants, for transfer to future Participants or otherwise for the purposes of the Plan.

#### *Powers*

- 13.2 In the event the Company appoints a Trustee, subject to the terms of the relevant trust deed appointing that Trustee:
- (a) every exercise of a power or discretion by the Company or the Board in these Rules may be exercised by the Trustee;
  - (b) any reference to the Company or the Board in these Rules will accordingly be interpreted as a reference to the Trustee (as applicable);
  - (c) Shares may be issued or transferred to the Trustee on behalf of the Participant; and
  - (d) the Trustee on behalf of each and all of the Participants will be entitled to any rights specified in rule 11 which accrue to Shares held for the benefit of those Participants.

## 14. Listing Rules

#### *Listing of Options*

- 14.1 Options issued under the Plan must not be listed for quotation on the ASX.

#### *Listing of Shares*

- 14.2 The Company will apply for official quotation of any Shares issued under the Plan resulting from the exercise of Options, in accordance with the ASX Listing Rules

#### *Application*

- 14.3 The provisions of the Listing Rules apply to the Plan, and to the extent that the Plan and the Rules are inconsistent, the Listing Rules apply.


## 15. Amendment of Plan

#### *Amendments*

- 15.1 Subject to rule 15.2, the Board may add to, repeal, amend, alter or vary any or all of the provisions of these Rules in writing in any respect whatsoever, including the rights or obligations of the Participant.

#### *No reduction of rights*

- 15.2 No addition, repeal, amendment, alteration or variation of the provisions of these Rules will:
- (a) without the Participant's consent in writing, materially reduce the Participant's accrued benefits or entitlements as they existed before the date of the amendment;
  - (b) without the Participant's consent in writing, impose additional obligations on the Participant in respect of his or her Options; or
  - (c) repeal, amend, alter or vary this rule 15.2,
- unless the addition, repeal, amendment, alteration or variation is introduced primarily:
- (d) for the purpose of complying with or conforming to present or future laws or regulating the maintenance or operation of the Plan or like plans, including any relevant tax legislation;

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- (e) to correct any manifest error or mistake; or
  - (f) to enable the Plan or the Company to comply with the Corporations Act, the Listing Rules or its Constitution.

*Retrospective effect*

- 15.3 Any amendment made pursuant to rule 15.1 may be given such retrospective effect as is specified in the written instrument or resolution by which the amendment is made.

## 16. Notices

*Address for notices*

- 16.1 Any notice given under or for the purposes of these terms and conditions will be given in writing, signed, and addressed to:
- (a) in the case of the Company – the secretary of the Company at such address as is nominated by the Company; or
  - (b) in the case of an Eligible Person – the Eligible Person or the Participant at the address nominated by the Eligible Person or the Participant.

## 17. Taxes

*Withholding and collection*

- 17.1 The Company or the Trustee will have the right to withhold or collect from a Participant such Taxes, social security liabilities or other liabilities as may be required by Law in connection with the Plan, or to otherwise require the Participant to pay such Taxes, social security liabilities or other liabilities, and make such arrangements as it considers necessary to meet any liability to pay such Taxes, social security liabilities or other liabilities in respect of an award under the Plan. These arrangements may include the sale of Shares on behalf of a Participant or a reduction in the number of Shares to which the Participant would otherwise be entitled.

## 18. Governing law

*Application for Australian tax purposes*

- 18.1 The Plan is an Employee Share Scheme (ESS) for the purposes of the ESS rules of Division 83A of the *Income Tax Assessment Act* to which Subdivision 83A-C (deferred inclusion of gain assessable income) specifically applies.

*Jurisdiction*

- 18.2 These terms and conditions will be governed by and construed in accordance with the laws of the State of Victoria and the Eligible Persons, Participants and the Company agree to submit to the non-exclusive jurisdiction of the courts of the State of Victoria, and any courts hearing appeals from those courts.