

## Schedule 2

# Close the Loop Limited Employee Share Plan Rules

Level 30  
Bourke Place  
600 Bourke Street  
Melbourne Vic 3000  
DX 320

Telephone +61 3 9603 3555  
Facsimile +61 3 9670 9632  
[www.hallandwilcox.com.au](http://www.hallandwilcox.com.au)  
LER 821723\_4

# Employee Share Plan Rules

## Contents

<b>Contents</b>	<b>i</b>
<b>1 Definitions and interpretation</b>	<b>3</b>
1.1 Definitions	3
1.2 Interpretation	5
<b>2 Purpose</b>	<b>5</b>
2.1 Purpose	5
2.2 Intention	5
<b>3 Offers</b>	<b>5</b>
3.1 Invitation	5
3.2 Board's discretion	5
3.3 Plan Invitation	6
3.4 Terms of issue	6
<b>4 Overriding restrictions on issue</b>	<b>6</b>
4.1 Contravention of the law or applicable rules	6
4.2 Certain limits	7
<b>5 Acceptance by Participant</b>	<b>7</b>
5.1 Plan Application	7
5.2 Effect of Acceptance	7
5.3 Adjustment by Board	8
5.4 Issuing of Shares	8
5.5 Participant agrees to be bound by Rules	8
5.6 Rights attaching to the Plan Shares	8
<b>6 Performance Hurdles</b>	<b>8</b>
6.1 Determination by Board	8
6.2 Board's determination final	9
<b>7 Listing</b>	<b>9</b>
<b>8 Restriction on transfers of Shares</b>	<b>9</b>
8.1 Restricted Shares	9
8.2 Effect of Corporate Restructure	9
8.3 Where Loan has not been repaid	9
8.4 Refusal to register	9
<b>9 Loan</b>	<b>10</b>
9.1 Application for Loan	10
9.2 Provision of Loan	10
9.3 Purpose of Loan	10
9.4 Interest	10
9.5 Repayment from Cash Dividends	10
9.6 Repayment following sale of Plan Shares	10
9.7 Repayment at Board's discretion	11

<b>10</b>	<b>Taxes</b>	<b>11</b>
	10.1 Stamp duty	11
	10.2 Withholding tax	11
<b>11</b>	<b>Forms</b>	<b>11</b>
<b>12</b>	<b>Rights of Employees and Directors</b>	<b>11</b>
<b>13</b>	<b>Administration of the Plan</b>	<b>11</b>
<b>14</b>	<b>Amendments of the Rules</b>	<b>12</b>
<b>15</b>	<b>Notices</b>	<b>12</b>
	15.1 Method of service	12
	15.2 Addresses for service	12
<b>16</b>	<b>Termination of the Plan</b>	<b>13</b>
<b>17</b>	<b>Relevant law</b>	<b>13</b>

## Rules

---

### 1 Definitions and interpretation

#### 1.1 Definitions

In these Rules unless the context otherwise requires:

**ASX** means Australian Stock Exchange Limited ACN 008 624 691;

**Board** means the Directors of Close the Loop or those of them who are present at a meeting at which there is a quorum;

**Cash Dividend** means a dividend declared or paid with respect to Plan Shares which is payable wholly in cash or, in the case of a dividend declared or paid with respect to Plan Shares which is payable only partly in cash, that part of the dividend which is payable in cash;

**Close the Loop** means Close the Loop Limited ACN 095 718 317 or, if a Corporate Restructure occurs, Close the Loop Holdco;

**Close the Loop Group** means Close the Loop and any subsidiaries (as defined in the Corporations Act) of Close the Loop;

**Close the Loop Holdco** means, if a Corporate Restructure occurs, the ultimate holding company that is the direct or indirect owner of substantially all of the business that was conducted by Close the Loop Limited immediately prior to the Corporate Restructure;

**Committee** means the Remuneration Committee of the Board or such other committee of directors of Close the Loop as may be appointed by the Board for the purposes of the Plan.

**Corporate Restructure** means a transaction or series of related transactions in which:

- (a) all or substantially all of the assets of, or shares in, Close the Loop Limited are transferred to, vested in or otherwise acquired by (including, without limitation, through the cancellation of existing shares or the issue of new equity securities) a newly organised corporation or other newly organised business entity where the equity holders or members of the newly organised corporation or business entity are substantially the same as the shareholders of Close the Loop immediately prior to the transaction, or
- (b) any other arrangement, reconstruction, restructuring, reorganisation, recapitalisation or consolidation of Close the Loop Limited or the Close the Loop Group is effected;

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

**Director** means a director of a member of the Close the Loop Group;

**Eligible Person** means a Director or Employee determined by Board to be eligible to receive Plan Shares in accordance with these Rules;

**Employee** means any full or part time permanent employee of a member of the Close the Loop Group and, where permitted by the Australian Securities and Investments Commission, any consultant or contractor who has worked for any member of the Close the Loop Group for more than one year and has received 80% or more of his or her income in the preceding year from that member;

**Equity Securities** means equity securities of Close the Loop Holdco that correspond to shares in the capital of Close the Loop Limited;

**Issue Price** means the price per Plan Share to be paid by the Eligible Person as specified in the relevant invitation and as determined by the Board;

**Listing Rules** means the Listing Rules of the ASX or any other stock exchange (including, without limitation, the Nasdaq National Market or the London Stock Exchange) on which Close the Loop Shares (or depositary receipts or similar securities in relation to Close the Loop) may be listed;

**Loan** means a loan made by Close the Loop or a member of the Close the Loop Group under this Plan for the purchase of Plan Shares by an Eligible Person;

**Loan Application** means an application by an Eligible Person to Close the Loop for a Loan in the form prescribed by the Board from time to time;

**Participant** means a person whose Plan Application is accepted and participates in the Plan, and includes a person registered as the holder of a Plan Share;

**Plan** means the Close the Loop Limited Employee Share Plan, as constituted by these Rules;

**Plan Application** means the form of application included in or accompanying a Plan Invitation;

**Plan Invitation** means the invitation to apply for Shares under the Plan in accordance with Rule 3 issued to an Eligible Person at the direction of the Board;

**Plan Share** means a Share acquired under this Plan;

**Restricted Shares** means Plan Shares which the Board determines are Restricted Shares;

**Rules** means these Rules, as amended from time to time; and

**Shares** means ordinary shares in the capital of Close the Loop, but if a Corporate Restructure occurs, Shares will mean Equity Securities that correspond to the ordinary shares in Close the Loop; and

**Unrestricted Shares** are Plan Shares which are not Restricted Shares.

## **1.2 Interpretation**

In these Rules unless the context otherwise requires:

- (a) The singular includes the plural and conversely.
- (b) A gender includes all genders.
- (c) A reference to a business day is a reference to a day (other than a Saturday) on which trading banks generally are open for business.
- (d) A reference to legislation or to the Listing Rules, or to a provision of legislation or to a particular Listing Rule, is a reference to the legislation, Listing Rule or provision as amended or substituted from time to time.
- (e) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (f) For the purposes of these Rules, if an entity by which the Participant is employed ceases to be a member of the Close the Loop Group, the employment of the Participant is deemed to have terminated upon the date of the cessation.

---

## **2 Purpose**

### **2.1 Purpose**

The Plan is established by Close the Loop to provide Eligible Persons with a means of receiving Shares in order to reward, and assist in the retention of, those Eligible Persons.

### **2.2 Intention**

The intention is to give Eligible Persons the opportunity to share in the future growth and profitability of Close the Loop by aligning their interests with that of shareholders, as well as providing a greater incentive for Eligible Persons to have a greater involvement and to focus on growth of shareholder value.

---

## **3 Offers**

### **3.1 Invitation**

Subject to the limit in Rule 4, Close the Loop, at the direction of the Board, may, from time to time, invite an Eligible Person to apply for Shares under the Plan on the terms and conditions set out in these Rules.

### **3.2 Board's discretion**

The Board has absolute discretion:

- (a) as to whom invitations are made (subject to the proviso that invitations can only be made to Eligible Persons); and

- (b) as to the number of Plan Shares which an Eligible Person may be invited to subscribe for and the terms of the issue of such Plan Shares,

provided that if Plan Shares are to be issued to a Director at a time when Close the Loop Shares are traded on the ASX, such issue must be approved by the shareholders of Close the Loop in accordance with the ASX Listing Rules.

### **3.3 Plan Invitation**

Each Plan Invitation must be in writing and specify the following:

- (a) the number of Plan Shares the Eligible Person is invited to subscribe for;
- (b) the Issue Price per Plan Share;
- (c) the amount of the Loan (if any);
- (d) the closing date for Plan Applications; and
- (e) any other terms and conditions relating to the invitation to subscribe for Plan Shares which, in the opinion of the Board, are fair and reasonable but not inconsistent with these Rules.

### **3.4 Terms of issue**

The terms of issue specified under Rule 3.3 may include (without limitation):

- (a) whether such Plan Shares are Restricted Shares or Unrestricted Shares and, in the case of Restricted Shares, the terms on which those Restricted Shares become Unrestricted Shares;
- (b) whether the Plan Shares are subject to any forfeiture conditions;
- (c) whether the issue of Plan Shares to the Eligible Person is subject to performance conditions (such performance conditions may, for example, relate to the performance of the Eligible Person or the performance of Close the Loop or both) (“Performance Hurdles”); and
- (d) a period or periods of time at the expiration of which the Board may review the performance conditions (“Performance Period”).

---

## **4 Overriding restrictions on issue**

### **4.1 Contravention of the law or applicable rules**

Despite any Rule, an Eligible Person may not be offered Plan Shares, nor may Plan Shares be issued to an Eligible Person, if to do so would contravene the Listing Rules (if applicable), the Corporations Act, the law of the jurisdiction in which Close the Loop may be incorporated from time to time or any other applicable law or where compliance with any applicable law would in the opinion of the Board be unduly onerous or impractical.

## **4.2 Certain limits**

An invitation or application cannot be made under the Plan if the aggregate of the following would, upon acceptance of the application in response to the invitation, exceed 25% of the total share capital of Close the Loop on a fully diluted basis at the time of the invitation or application (i.e. the number of shares (including ordinary shares and preference shares of any class) then on issue plus the number of shares which would be issued if all then outstanding options to subscribe for shares were exercised and all securities that are then convertible into shares were so converted):

- (a) the maximum number of Plan Shares which could be acquired upon acceptance of the relevant application and any other application under the Plan made contemporaneously with that application; and
- (b) the total number of shares that have been issued under any employee share or option plan of Close the Loop (including this Plan), together with the total number of shares which would be issued if all then outstanding options issued under an employee share option plan of Close the Loop were exercised.

---

## **5 Acceptance by Participant**

### **5.1 Plan Application**

An Eligible Person to whom a Plan Invitation is made may, prior to the closing date for Plan Applications, subscribe for Plan Shares under the Plan by:

- (a) completing the Plan Application in respect of a number of Plan Shares which is not greater than the maximum number, and not less than the minimum number (if any), specified in the Plan Invitation;
- (b) signing the completed Plan Application; and
- (c) lodging the completed and signed Plan Application with Close the Loop by the time and date specified in the Plan Invitation,

together with the following in respect of those Plan Shares that the Eligible Person wishes to subscribe for:

- (d) an application for a Loan (if applicable) and so much of the Issue Price (if any) as is not provided by a Loan; or
- (e) payment of the Issue Price in full.

### **5.2 Effect of Acceptance**

Acceptance of an Plan Invitation by the Eligible Person pursuant to Rule 5.1 constitutes an offer by the Eligible Person to participate in the Plan, and such offer can only be accepted by Close the Loop issuing Plan Shares in accordance with Rule 5.4. Prior to such issue, the Eligible Person has no rights as a shareholder in Close the Loop.



### **5.3 Adjustment by Board**

Subject to the Corporations Act, the law of the jurisdiction in which Close the Loop may be incorporated from time to time and the Listing Rules (where applicable), the number of Plan Shares to be issued to the Participant may be adjusted if by the Board, in its sole discretion, determines that such adjustment is necessary or appropriate to reflect any share dividend, share split or any Corporate Restructure or any other recapitalisation, merger, consolidation or exchange of shares in Close the Loop which has occurred after the date on which the Plan Invitation was made to the Participant.

### **5.4 Issuing of Shares**

Subject to the satisfaction of any terms or conditions set out in the Plan Invitation or the Plan Application (including any Performance Hurdles), following receipt of a completed and signed Plan Application and (if applicable) Loan Application and/or Issue Price and the acceptance by the Board of the Plan Application and (if applicable) the Loan Application, Close the Loop will, as soon as practicable after the date specified in the Plan Invitation as the closing date for applications:

- (a) issue the number of Plan Shares subscribed for in the name of the Participant; and
- (b) give the Participant a share certificate in respect of those Plan Shares.

### **5.5 Participant agrees to be bound by Rules**

By lodging the completed and signed Plan Application in accordance with Rule 5.1, the Participant agrees to acquire the Plan Shares and to be bound by these Rules as amended from time to time.

### **5.6 Rights attaching to the Plan Shares**

Subject to these Rules, the rights attaching to the Plan Shares issued in accordance with Rule 5.4 are the same as apply to all other issued Shares.

---

## **6 Performance Hurdles**

### **6.1 Determination by Board**

At the end of any Performance Period, the Board will determine the outcome of any Performance Hurdles. The determination may include (without limitation):

- (a) a determination that some or all of the Plan Shares will be issued as a consequence of the outcome of any applicable Performance Hurdle;
- (b) a reduction of the number of Plan Shares that will be issued as a consequence of the outcome of any applicable Performance Hurdle; and
- (c) a determination that a subscription for the Plan Shares lapses, in whole or part, as a consequence of the outcome of any applicable Performance Hurdle.

## **6.2 Board's determination final**

A determination made by the Board under Rule 6.1 is final unless the Board in its absolute discretion decides to revise any determination.

---

## **7 Listing**

Where any Shares (or depositary receipts or similar securities in relation to Close the Loop) are listed on the ASX or any other stock exchange, the Board may determine that the Plan Shares (or depositary receipts or similar securities in respect thereof) also will be listed on that stock exchange.

---

## **8 Restriction on transfers of Shares**

### **8.1 Restricted Shares**

Restricted Shares may not be sold or transferred, mortgaged, charged or otherwise dealt with or encumbered, without the prior approval of the Board. Any Restricted Shares that are on issue at a time when any Shares (or depositary receipts or similar securities in relation to Close the Loop) are listed on the ASX or any other stock exchange will be subject to a holding lock or other mechanism for restricting the transfer of shares that is provided for under the Listing Rules.

### **8.2 Effect of Corporate Restructure**

If a Corporate Restructure occurs at a time when any Plan Shares are Restricted Shares, the restrictions to which those Plan Shares are subject (including, without limitation, any restrictions on transfer and forfeiture conditions) shall automatically apply to the Equity Securities that are issued in exchange for, upon the cancellation of or otherwise in replacement of those Plan Shares, without any requirement for the issue or execution of any notice, agreement or document or the taking of any other action.

### **8.3 Where Loan has not been repaid**

If a Participant wishes to transfer an Unrestricted Share, but there remains an amount outstanding on the Loan, the Participant must serve a written notice on Close the Loop specifying:

- (a) the number of Plan Shares proposed to be sold and the sale price per Plan Share;
- (b) the name of any proposed buyer of the Plan Shares; and
- (c) any other terms of the proposed transfer.

### **8.4 Refusal to register**

The Board may refuse to register a transfer of Plan Shares:

- (a) where there is a Loan outstanding in respect of those Plan Shares, if the Board reasonably considers that the sale price per Plan Share is insufficient;

- (b) where the Participant has failed to notify Close the Loop of the proposed sale in accordance with Rule 8.3;
- (c) where the proceeds of the sale of those Plan Shares have not been applied towards the repayment of the outstanding balance of the Loan (if any) in accordance with Rule 9.6(a);
- (d) in the case of Restricted Shares, where the transfer has not been approved by the Board; or
- (e) where the Participant is in breach of these Rules.

---

## **9 Loan**

### **9.1 Application for Loan**

An application for a Loan must be in the form prescribed by the Board from time to time.

### **9.2 Provision of Loan**

If an Eligible Person applies for a Loan, Close the Loop may (or may cause another company which is part of the Close the Loop Group) concurrently with the issue of the Plan Shares to the Eligible Person, lend to the Eligible Person that portion of the Issue Price per Plan Share not paid by the Eligible Person under Rule 5.1.

### **9.3 Purpose of Loan**

The entire amount of the Loan must be applied towards paying the Issue Price for Plan Shares subscribed for by the Participant.

### **9.4 Interest**

A Loan granted under this Rule will be interest free unless otherwise determined by the Board.

### **9.5 Repayment from Cash Dividends**

Each Cash Dividend which is payable in respect of Plan Shares acquired in whole or in part with a Loan is to be applied by Close the Loop on behalf of the Participant who owns those Plan Shares in repayment of the amount outstanding under the Loan, and the Participant directs Close the Loop to so apply each Cash Dividend.

### **9.6 Repayment following sale of Plan Shares**

- (a) The proceeds received by a Participant upon selling all or some of their Plan Shares shall first be applied towards the repayment of the outstanding balance of the Loan.
- (b) Where a Participant has sold all of their Plan Shares, a Participant shall have no obligation to repay the full amount of the Loan where the proceeds in respect of the Plan Shares are less than the amount of the Loan outstanding and Close the Loop

shall accept the proceeds and the extinguishment of the Participant's interest in those Plan Shares, in full satisfaction of the Loan.

#### **9.7 Repayment at the Board's discretion**

The Board may impose any additional conditions of repayment that it, acting in its absolute discretion, considers appropriate (for example, salary sacrifice arrangements and repayment upon cessation of the Participant's employment or breach by the Participant of these Rules).

---

### **10 Taxes**

#### **10.1 Stamp duty**

Stamp duty or any similar tax which may be assessed, paid or payable in respect of any document or documents executed in connection with the Plan (other than any share transfer) is payable by Close the Loop within the time prescribed by law.

#### **10.2 Withholding tax**

The employer of a Participant will have the power to withhold, or to require the Participant to remit to it, an amount sufficient to satisfy all federal, state, local and foreign withholding tax requirements in respect of any or all of the Participant's Plan Shares.

---

### **11 Forms**

Close the Loop may from time to time require the Participant to complete and return to Close the Loop such other documents as may be required by law to be completed by the Participant or such other documents which Close the Loop considers should, for legal or taxation reasons, be completed by the Participant.

---

### **12 Rights of Employees and Directors**

This Plan does not form part of any contract of employment between Close the Loop or any member of the Close the Loop Group and any Employee or Director. It does not confer (directly or indirectly) on any Employee or Director any legal or equitable right whatsoever (other than as set out in these Rules) whether on termination of employment or otherwise.

---

### **13 Administration of the Plan**

The Plan is administered by the Committee which has power to:

- (a) determine appropriate procedures for administration of the Plan consistent with these Rules;
- (b) resolve conclusively all questions of fact or interpretation in connection with the Plan; and
- (c) do anything delegated to it by the Board which the Board has the power to do.

- (d) The Board may delegate to the Committee the Board's authority in respect of any or all of the matters referred to in these Rules, either generally or with respect to any specific issuance of Options. In the event of any such delegation, each reference to the Board in the relevant Rule or Rules will be deemed to be a reference to the Committee.

---

## **14 Amendments of the Rules**

Subject to the Corporations Act, the law of the jurisdiction in which Close the Loop may be incorporated from time to time and the Listing Rules (where applicable), the Board has the power to add to, delete or otherwise vary these Rules, but the net effect of such additions, deletions or other variations must not prejudice the rights and entitlements of Participants subsisting prior to such additions, deletions or other variations being made.

---

## **15 Notices**

### **15.1 Method of service**

Any notice or other communication given pursuant to these Rules must be in writing and is deemed to have been given properly if:

- (a) delivered;
- (b) sent by post; or
- (c) sent by facsimile transmission or other print-out communications method (including email);

and is deemed to have been served:

- (d) if delivered, at the time of delivery;
- (e) if posted, 3 business days after the date of posting (or, in the case of a notice posted to a Participant with an address outside Australia, 5 business days after the date of posting); and
- (f) if sent by facsimile transmission or other print-out communications method, 24 hours after receipt by the sender of a transmission control report from the despatching machine showing the relevant number of pages and the correct destination fax machine number or name of recipient and indicating that the transmission has been made without error (or, in the case of email, 24 hours after the message has been sent, so long as the sender has not received a notice that the message was not delivered).

### **15.2 Addresses for service**

Delivery, postage and print-out communications to the Participant or Close the Loop must be made:

- (a) in the case of Close the Loop, to its registered office address; and

- (b) in the case of a Participant, to the address of the Participant according to the records of Close the Loop, or to such other address as Close the Loop or the Participant may notify to the other party respectively.

---

## **16 Termination of the Plan**

The Plan may be terminated at any time by resolution of the Board.

---

## **17 Relevant law**

These Rules are governed by the laws of the State of Victoria. Each Participant submits to the non-exclusive jurisdiction of courts exercising jurisdiction there in connection with matters concerning these Rules.