

Long Term Incentive Plan Rules

MYOB Group Limited ACN 153 094 958

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Contents

1.	Definition and Interpretation	1
1.1	Definitions	1
1.2	Interpretation	4
2.	Grants of Awards	4
2.1	Board may make Invitations	4
2.2	Form of Invitation	4
2.3	Acceptance of an Invitation	5
2.4	Board to grant Awards	5
2.5	Limit on grant of Awards	5
2.6	No interest or right until Award, vesting or exercise	5
3.	Dealing with Awards	6
4.	Vesting, exercise, lapse and forfeiture	6
4.1	Vesting of Awards	6
4.2	Lapse of Awards	6
4.3	Exercise of Options	6
4.4	Cessation of Employment	7
4.5	Inappropriate benefits	8
4.6	Forfeiture	9
5.	Satisfaction of Awards	9
5.1	Allocation of Shares or cash payment	9
5.2	Cash payments	10
5.3	Dividend equivalent payments	10
5.4	Cashless Exercise	10
5.5	Share ranking	11
5.6	Listing of Shares on ASX	11
5.7	Notification of Share allocation	11
6.	Restriction on Dealing with Shares	11
7.	Takeovers and Control Events	12
7.1	Takeover Events	12
7.2	Control Events	12
7.3	Effect on Shares	12
7.4	Acquisition of shares in Acquiring Company	12
8.	Adjustments to Awards	13
9.	Withholding	13
10.	Participants based overseas	14
10.1	Non-Australian residents	14
10.2	Transfers outside Australia	14
11.	Applicable Law	15
12.	Amendments to the Plan	15
12.1	Power to make amendments	15
12.2	Restrictions on amendments	15
12.3	Permitted amendments	15
12.4	Termination or Suspension of the Plan	16
13.	Rights and obligations of Participant	16
14.	Administration of the Plan	17
14.1	Power of the Board	17
14.2	Waiver of terms and conditions	17

14.3	Dispute or disagreement	17
14.4	Liability	17
14.5	Appointment of agent	18
14.6	Data protection	18
14.7	Connection with other plans	18
14.8	Amounts owing by a Participant	18
15.	Notices	19
16.	Governing Law	19

Plan Rules

1. Definition and Interpretation

1.1 Definitions

Allocate means:

- (a) the issue of a Share for the benefit of; or
- (b) procuring the transfer of a Share (pursuant to a purchase on-market or an off-market transfer) to or for the benefit of,

a Participant (or his or her Personal Representative).

Applicable Law means any one or more or all, as the context requires of:

- (a) the Corporations Act;
- (b) the Listing Rules;
- (c) the Constitution;
- (d) the Income Tax Assessment Act 1936 (Cth);
- (e) the Income Tax Assessment Act 1997 (Cth);
- (f) any practice note, policy statement, regulatory guide, class order, declaration, guideline, policy, procedure, ruling, judicial interpretation or other guidance note made to clarify, expand or amend (a), (b), (c), (d) or (e) above; and
- (g) any other legal requirement that applies to the Plan.

ASIC means Australian Securities and Investment Commission.

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

Award means an Option or Performance Right, including any entitlement to a Dividend Equivalent Payment.

Board means the board of directors of the Company, any committee of that board or a duly authorised person or body to which that board has delegated its powers under this Plan.

Business Day means any day on which the ASX is open for trading.

Cashless Exercise means the process in clause 5.4 whereby a Participant elects on the exercise of vested Options to receive an Allocation of the number of Shares equal in value to the positive difference between the Market Value of Shares on the date of exercise of the Options and the Exercise Price of the Options.

Cessation Date means the date on which a Participant ceases to be an employee of the Group.

Company means MYOB Group Limited, ACN 153 094 958.

Constitution means the constitution of the Company

Control Event means:

- (a) a Court orders a meeting to be convened in relation to a proposed compromise or arrangement for the purposes of, or in connection with:
 - (i) a scheme which would, if it becomes effective, result in any person (either alone or together with its related bodies corporate) owning all of the shares in the Company; or
 - (ii) a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
- (b) members of the Company approve any compromise or arrangement referred to in paragraph (a);
- (c) any person becomes bound or entitled to acquire shares in the Company under:
 - (i) any compromise or arrangement referred to in paragraph (a) which has been approved by the Court;
 - (ii) section 414 of the Corporations Act; or
 - (iii) Part 6A.1 or Part 6A.2 of the Corporations Act;
- (d) a resolution is proposed to be put to shareholders proposing a voluntary winding up; or
- (e) an order is sought for the compulsory winding up of the Company.

Corporations Act means Corporations Act 2001 (Cth).

Current Market Price of a Share means the VWAP of Shares over the 5 Business Days commencing on the date on which the Share would otherwise have been Allocated to a Participant.

Dealing means in relation to an Award or a Share (as the case may be), any dealing, including but not limited to:

- (a) a sale, transfer, assignment, trust, encumbrance, option, swap, any alienation of all or any part of the rights attaching to the Award or Share;
- (b) any attempt to do any of the actions set out in paragraph (a); and
- (c) any hedging or dealing with a derivative instrument intended to limit the economic risk associated with holding a Share or Award.

Dividend Equivalent Payment means an amount to which a Participant becomes entitled under clause 5.3.

Eligible Executive means an employee of the Group (including a director employed in an executive capacity) or any other person who is declared by the Board to be eligible to receive a grant of an Award under the Plan.

Exercise Price means the price payable per Share on exercise of an Option.

Financial Year means the financial year of the Company (being at the time of adoption of these Rules a period of 12 months starting on 1 July in one year and ending on 30 June in the following year).

Group means the Company and each Group Company.

Group Company means the Company and each of its Subsidiaries.

Invitation means an invitation to an Eligible Executive made by the Board under clause 2.1 to apply for, or participate in a grant of, Awards.

Listing Rules means the official Listing Rules of the ASX as they apply to the Company from time to time.

Market Value of a Share on a date means the VWAP of Shares over the 5 Business Days immediately prior to that date.

Option means an option to acquire one Share in the capital of the Company in accordance with these Rules and an Invitation.

Participant means a person who holds an Award or Share under the terms of this Plan from time to time.

Performance Condition means one or more conditions which must be satisfied or circumstances which must exist before an Option is exercisable or a Performance Right vests under these Rules.

Performance Right means a right to acquire one Share in the capital of the Company in accordance with these Rules and an Invitation.

Personal Representative means the legal personal representative, executor or administrator of the estate of a deceased person.

Plan means the MYOB Group Limited Long Term Incentive Plan as set out in these Rules.

Rules means the terms and conditions set out in this document as amended from time to time.

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

Subsidiary means a body corporate which is a subsidiary of the Company within the meaning of section 9 of the Corporations Act.

Takeover Bid has the meaning given in section 9 of the Corporations Act.

Takeover Event means:

- (a) a Takeover Bid being made for Shares in the Company (and for these purposes, a Takeover Bid will be made when a bidder serves its bidder's statement on the Company);
- (b) the Board recommending that shareholders of the Company accept any Takeover Bid for Shares in the Company; or
- (c) a Takeover Bid for Shares in the Company becoming unconditional.

Tax means any tax, levy, excise, duty, charge, surcharge, contribution, withholding tax, impost or withholding obligation of whatever nature, whether direct or indirect, by whatever method collected or recovered, together with any fees, penalties, fines, interest or statutory charge.

Terms means the terms and conditions of an Award specified in an Invitation.

VWAP means the volume weighted average price of the Shares (calculated to 2 decimal places of one cent) traded on ASX "On-market" (as that term is defined in the ASX Operating

Rules) excluding special crossings, overseas trades, trades pursuant to the exercise of options or overnight trades, as determined by ASX in accordance with its customary practice.

1.2 Interpretation

Headings are for convenience only and do not affect the interpretation of these Rules. The following rules of interpretation apply to these Rules unless the context requires otherwise:

- (a) a word importing the singular includes the plural (and vice versa), and a word indicating a gender includes every other gender;
- (b) where any word or phrase is given a definite meaning in this Plan, any part of speech or other grammatical form of that word or phrase has a corresponding meaning;
- (c) "**includes**" in any form is not a word of limitation;
- (d) a reference to a statute includes its delegated legislation and a reference to a statute or delegated legislation or a provision of either includes consolidations, amendments, re-enactments and replacements; and
- (e) a reference to a clause is to a clause of these Rules.

2. Grants of Awards

2.1 Board may make Invitations

The Board may, from time to time, in its discretion invite Eligible Executives to participate in a grant of Awards upon the terms set out in the Plan and upon such additional terms, including Performance Conditions (if any), as the Board determines.

2.2 Form of Invitation

- (a) An Invitation may take any form, and be upon the terms and subject to any restrictions, determined by the Board.
- (b) An Invitation must include the following information:
 - (i) the number of Awards being offered or the method by which the number will be calculated;
 - (ii) whether the Awards are in the form of Options or Performance Rights or a combination of both;
 - (iii) the period or periods during which Awards may vest;
 - (iv) any applicable Performance Conditions;
 - (v) the Exercise Price for an Award granted as an Option or the method by which that Exercise Price will be calculated;
 - (vi) the period or periods in which an Award granted as an Option may be exercised;
 - (vii) the dates or circumstances in which Awards may lapse;
 - (viii) the amount (if any) that will be payable by the Participant upon the grant of an Award;

- (ix) whether the Awards carry an entitlement to a Dividend Equivalent Payment;
- (x) whether the vesting or exercise of an Award will only be satisfied by an Allocation of Shares to the Participant;
- (xi) whether Cashless Exercise is permitted for an Award granted as an Option;
- (xii) the circumstances (if any) in which Shares Allocated to the Participant may be forfeited;
- (xiii) any restrictions (including the period of restriction) on Dealing in a Share Allocated to the Participant upon vesting or exercise of an Award; and
- (xiv) any other terms or conditions to be attached to either or both the Award and Shares Allocated to the Participant.

2.3 Acceptance of an Invitation

- (a) Acceptance of an Invitation must be made in accordance with the instructions that accompany the Invitation, or in any other way the Board determines.
- (b) The Board may only allow the participation of an Eligible Executive in the Plan where that Eligible Executive continues to satisfy any relevant conditions imposed by the Board, which may include that the Eligible Executive continues to be an employee of the Group at the time of grant.
- (c) Nothing limits the Board's ability to treat the conduct of an Eligible Executive in respect of an Invitation as valid acceptance of that Invitation under these Rules.
- (d) By accepting an Invitation the Eligible Executive is deemed to have agreed to be bound by these Rules and the Constitution.

2.4 Board to grant Awards

- (a) Subject to the terms of the Invitation and upon acceptance of an Invitation under clause 2.3, the Board will grant Awards in the name of the Eligible Executive.
- (b) Unless the Board determines otherwise, Awards may not be registered in any name other than that of the Eligible Executive.

2.5 Limit on grant of Awards

The Company will not make an Invitation under the Plan where the grant of the Awards contemplated by the Invitation would result in the Company exceeding the maximum permitted under any instrument of relief issued by ASIC from time to time relating to employee incentive schemes which the Company is relying on in regards to the Invitation.

2.6 No interest or right until Award, vesting or exercise

- (a) An Eligible Executive has no entitlement under these Rules to be granted any Award unless and until such Award is granted under clause 2.4.
- (b) Unless and until Shares are Allocated to a Participant following vesting of a Performance Right or exercise of an Option, the Participant has no interest in those Shares.

3. Dealing with Awards

- (a) An Award granted under the Plan is only transferable:
 - (i) with the prior consent of the Board; or
 - (ii) by force of law upon death to the Participant's Personal Representative or upon bankruptcy to the Participant's trustee in bankruptcy.
- (b) Any Dealing in respect of an unvested Award is prohibited, unless the Board determines otherwise.
- (c) Where a Participant purports to Deal with an Award other than in accordance with clause 3(a), the Award will immediately lapse, unless the Board determines otherwise.

4. Vesting, exercise, lapse and forfeiture

4.1 Vesting of Awards

- (a) Subject to clause 4.1(b), 4.4, 7.1, 7.2 and 14.2, an Award will only vest where and to the extent that the Performance Conditions and any additional terms specified in the Invitation have been satisfied.
- (b) If the vesting of an Award would arise in a period where dealings by a Participant would be prohibited, vesting will be delayed until such time as dealings are permitted. For the avoidance of doubt, the Board may determine that vesting will be delayed only in relation to the affected Participant or in relation to some or all Participants who hold Awards under the Plan.

4.2 Lapse of Awards

- (a) An unvested Award will lapse upon the earliest to occur of:
 - (i) the date or the circumstance specified in the Invitation for the purposes of clause 2.2(b)(vii);
 - (ii) the Award lapsing in accordance with clause 3(c);
 - (iii) the Award lapsing in accordance with a provision of this clause 4;
 - (iv) failure to meet the Performance Condition applicable to the Award within the specified period; or
 - (v) where, in the opinion of the Board, a Participant has acted fraudulently or dishonestly.
- (b) An Option which has not been exercised by the expiry of the period or periods specified for the purposes of clause 2.2(b)(vi) will lapse. Unless the Terms of the Award provide otherwise, if more than one such period applies, then the provision which results in earliest date of lapsing will prevail.

4.3 Exercise of Options

- (a) Subject to clause 4.3(c), 7.1, 7.2 and 14.2, an Option may only be exercised if, at the time of exercise:
 - (i) the Option has vested in accordance with clause 4.1;

- (ii) the Option has not lapsed in accordance with clause 4.2; and
 - (iii) either the Exercise Price of the Option specified in the Invitation has been paid to the Company in cleared funds or the Company deducts that Exercise Price from any cash payment made by the Company under clause 5.1(b) or Cashless Exercise applies in accordance with clause 5.4.
- (b) The exercise of an Option may only be effected in a form and manner specified in the Invitation or as otherwise determined by the Board.
- (c) Notwithstanding any other provision of these Rules, no Option will be exercisable for a period which is greater than 10 years from the date of the grant of the Option.

4.4 Cessation of Employment

- (a) Subject to clauses 4.4(b), 4.4(d) and 4.5, unless the Board determines otherwise either prior to or within 60 days of the Cessation Date, any unvested Awards do not vest or lapse as a result of the Participant ceasing employment with a Group Company, and these Rules and the relevant Terms of the Award (including any Performance Conditions) continue to apply, except that any continuous service requirement will be deemed to have been waived.
- (b) For the purposes of clause 4.4(a), the Board may determine that some or all unvested Awards:
 - (i) vest; or
 - (ii) lapse with effect from the Cessation Date,
 as a result of the Participant ceasing employment with a Group Company.
- (c) Where the Board exercises its discretion under clause 4.4(b), it will give written notice to the Participant of the Awards that have vested or lapsed (as applicable).
- (d) The Board may at the time of an Invitation, provide for a different treatment on a Participant ceasing employment with a Group Company than that contemplated by clause 4.4(a) in which case the Terms of the Award shall prevail over clause 4.4(a) to the extent of any inconsistency.
- (e) Subject to applicable laws, at the discretion of the Board, a Participant who is granted an approved leave of absence and who exercises their right to return to work under any applicable award, enterprise agreement, other agreement, statute or regulation before the vesting of an Award under the Plan will be treated for those purposes as not having ceased to be such an employee.
- (f) In all cases, the treatment of Awards on a Participant ceasing employment with a Group Company is subject to applicable law, including in relation to the provision of termination benefits under Part 2D.2 Division 2 of the Corporations Act. The Company is not bound to exercise any discretion in connection with an Award or the Plan or provide any associated benefit in connection with a Participant's cessation of employment to the extent that the amount of the benefit (together with all other relevant termination benefits) exceeds the amount that is permitted to be paid or given under the Corporations Act without shareholder approval, if such relevant approval has not been obtained. Nothing in the Plan requires or will be deemed to require the Company or any related body corporate to seek the approval of their respective shareholders to enable them to perform an action in connection with an Award.

4.5 Inappropriate benefits

- (a) If, in the opinion of the Board, a Participant:
- (i) acts fraudulently or dishonestly; or
 - (ii) is in breach of his or her obligations to any Group Company,
- then the Board may in its discretion:
- (iii) where they have not lapsed automatically under clause 4.2(a)(v), deem any unvested Award held by the Participant to have lapsed;
 - (iv) deem all or any Shares already Allocated to the Participant following vesting or exercise of Awards to be forfeited;
 - (v) appoint an officer of the Company as his or her agent and attorney to either or both sell Shares already Allocated to the Participant on the ASX or transfer them into the name of the Company's nominee;
 - (vi) where any Shares already Allocated to the Participant have been sold by the Participant, require the Participant to pay to the Company all or part of the proceeds realised on that sale;
 - (vii) where the Company has paid a cash amount to the Participant under clause 5.1(b) or 5.3, withhold, deduct or offset that amount (or part of that amount) from any other amount owing by any Group Company to the Participant, or require the Participant to repay that amount (or part of that amount) as a debt immediately due and payable to the Company; and
 - (viii) require the Participant to pay a cash amount equal to the dividends or other rights or benefits (in each case, calculated as set out in a notice from the Company to the Participant but excluding any imputed or associated tax credits or rebates, such as Australian franking credits, in relation to those dividends, rights or benefits) paid on or attributed to Shares which are forfeited under clause 4.5(a)(iv).
- (b) Where, in the opinion of the Board, a Participant's Awards vest, or may vest, as a result of the fraud, dishonesty or breach of obligations of another employee of the Group or a material misstatement of the financial statements of the Group and, in the opinion of the Board, the Awards would not otherwise have vested, the Board may determine that the Awards have not vested and may, subject to applicable laws, determine:
- (i) where Awards have not vested or Shares have not been Allocated or a cash amount has not been paid upon vesting of Awards, that the Awards have not vested and reset the Performance Conditions applicable to the Awards; or
 - (ii) where Shares have been Allocated upon vesting or exercise of Awards, that the Shares are forfeited by the Participant and may, at the discretion of the Board, reissue any number of Awards to the Participant subject to new Performance Conditions in place of the forfeited Shares;
 - (iii) where the Company has paid a cash amount to the Participant under clause 5.1(b) or 5.3, that the amount is withheld, deducted from or offset against other amounts payable to the Participant or the amount is required to be repaid by the Participant (as described in clause 4.5(a)(vii) and may, at the discretion of the Board, reissue any number of Awards

to the Participant subject to new Performance Conditions in place of the cash amount withheld, deducted, offset or repaid; or

- (iv) any other treatment in relation to Awards or Shares Allocated under the Plan or cash payments to ensure no unfair benefit is obtained by a Participant as a result of such actions of another person.

- (c) Without limiting clause 4.5(a) or 4.5(b), where a Participant has received or may receive remuneration (whether under the Plan or otherwise) and the Board determines in good faith that, in order to ensure that no inappropriate benefit is obtained by the Participant:

- (i) the remuneration should be reduced by an amount; or
- (ii) an amount of the remuneration should be repaid,

the Board may, subject to applicable laws, determine any treatment in relation to one or more of:

- (iii) the Participant's Awards;
- (iv) Shares Allocated to the Participant under the Plan; or
- (v) cash received by the Participant in connection with the Plan (including the proceeds of sale of a Share Allocated under the Plan),

in order to offset the relevant amount.

- (d) Noting in this clause 4.5 limits the ability of the Board and a Participant to agree to different or additional forfeiture, repayment or offset arrangements.
- (e) The Board's decision under this clause 4.5 will be final and binding.

4.6 Forfeiture

- (a) Where Shares are forfeited in accordance with these Rules and the Shares are held by the Participant, the Participant is deemed to have agreed to dispose of his or her legal and/or beneficial interest (as appropriate) in such Shares for no consideration and the Shares will be transferred into the name of the Company's nominee.
- (b) Where Shares are forfeited in accordance with these Rules and the Shares are held by a trustee, the Participant's rights in the Shares will be extinguished for no consideration and the Board may, at any time in the future, request the trustee to hold the Shares for the benefit of a different or new Participant (and, pending implementation of such request, the Shares shall comprise general trust property).
- (c) Where Shares are forfeited pursuant to these Rules, the Company will repay to the Participant any Exercise Price paid in relation to those Shares by the Participant.

5. Satisfaction of Awards

5.1 Allocation of Shares or cash payment

On vesting of a Performance Right or the exercise of an Option, the Company must, at the discretion of the Board:

- (a) subject to clause 5.4, Allocate a Share to the Participant (or his or her Personal Representative); or

- (b) if permitted by the Terms of an Award, make a cash payment to the Participant (or his or her Personal Representative) in lieu of an Allocation of a Share,

and satisfy any Dividend Equivalent Payment that a Participant becomes entitled to under clause 5.3.

5.2 Cash payments

- (a) Where the Terms of an Award permit and the Board exercises its discretion under clause 5.1 to make a cash payment to a Participant in lieu of an Allocation of Shares, the Company must pay to the Participant an amount (in any currency determined by the Board in its discretion) equivalent to the value of the Performance Rights that have vested or the Options that have been exercised (as applicable) calculated in accordance with clause 5.2(b).
- (b) The amount of the cash payment referred in clause 5.2(a) will be calculated by multiplying the number of Performance Rights that have vested or the number of Options that have been exercised (as applicable) by the Current Market Price, less in the case of Options, any Exercise Price of those Options which has not been paid by the Participant to the Company.

5.3 Dividend equivalent payments

- (a) The Board may determine at the time an Invitation is made that a Participant who becomes entitled under clause 5.1 to receive an Allocation of Shares or a cash payment in lieu of an Allocation of Shares following vesting or exercise of an Award will also be entitled to receive a Dividend Equivalent Payment calculated in accordance with clause 5.3(b).
- (b) The amount of the Dividend Equivalent Payment:
 - (i) will be approximately equal to the amount of dividends that would have been payable to a Participant had he or she been the registered holder of the Shares referred to in clause 5.3(a) from the first day of the Financial Year in which the Awards are granted (excluding any dividends actually paid in respect of those Shares after their Allocation to the Participant); and
 - (ii) will not be grossed up or otherwise adjusted to account for any Tax consequences which would have applied if the Participant had actually been paid a dividend.
- (c) The Company may satisfy the entitlement of a Participant to receive a Dividend Equivalent Payment by, in the discretion of the Board:
 - (i) the Allocation of a number of Shares to the Participant calculated by dividing the amount of the Dividend Equivalent Payment by the Market Value of Shares on the date of the Allocation of Shares; or
 - (ii) payment of the amount in cash.
- (d) The Company must satisfy the entitlement of a Participant to receive a Dividend Equivalent Payment as soon as reasonably practicable following the Allocation of Shares or the making of the cash payment in lieu of an Allocation of Shares referred to in clause 5.3(a).

5.4 Cashless Exercise

If:

- (a) the Terms of an Option specify that exercise of the Option will only be satisfied by an Allocation of Shares to the Participant;
- (b) the Terms of an Option specify that Cashless Exercise is permitted;
- (c) the Participant elects that Cashless Exercise is to apply to the exercise of those Options; and
- (d) the Market Value on the date of exercise of the Options is greater than the Exercise Price of the Options,

on the exercise of the Options by that Participant, the Company must Allocate that number of Shares calculated in accordance with the following formula rounded down to the nearest whole number of Shares:

$$NS = NO \times [(MV - EP) \div MV]$$

where:

- (d) NS is the number of Shares to be Allocated on the exercise of the Options;
- (e) NO is the number of Options exercised by the Participant;
- (f) MV is the Market Value of Shares on the date of exercise of the Options; and
- (g) EP is the Exercise Price of the Options.

5.5 Share ranking

Any Shares issued under the Plan upon vesting or exercise of an Award will rank equally in all respects with other Shares for the time being on issue by the Company except as regards any rights attaching to such Shares by reference to a record date prior to the date of their issue.

5.6 Listing of Shares on ASX

If Shares of the same class as those issued on the vesting or exercise of an Award are quoted on ASX, the Company will apply for quotation of Shares issued under the Plan within the period required by ASX.

5.7 Notification of Share allocation

The Company must ensure that, as soon as reasonably practicable after the Company has Allocated Shares to a Participant in accordance with clause 5.1, the Participant is given written notice specifying the number of Shares Allocated to the Participant.

6. Restriction on Dealing with Shares

- (a) The Board may, at its discretion, impose a restriction on Dealing with Shares Allocated on vesting or exercise of an Award.
- (b) The Board must provide the Participant with details of any such restrictions in accordance with clause 2.2(b)(xiii).
- (c) The Company may implement any procedure it considers appropriate to restrict a Participant from Dealing in Shares in accordance with a determination made under clause 6(a), including through the imposition of a holding lock or requiring that the Shares be held in trust on behalf of a Participant.

- (d) By accepting an Invitation, each Participant undertakes not to take any action or permit another person to take any action to remove any restriction procedure imposed by the Company under clause 6(c).

7. Takeovers and Control Events

7.1 Takeover Events

- (a) In the event of a Takeover Event, the Board must consider whether, and may in its discretion determine that, all or a specified number of a Participant's unvested Awards vest and in the case of Options may be exercised, having regard to all relevant circumstances, including whether performance is in line with the Performance Condition over the period from the date of grant of the Award to the date of the relevant Takeover Event.
- (b) Where the Board determines pursuant to clause 7.1(a) that Awards vest and in the case of Options may be exercised, the Board must as soon as practicable give written notice to each Participant of the number of Awards that have vested or may be exercised.
- (c) If the Board determines under clause 7.1(a) that only some of a Participant's unvested Awards will vest, all unvested Awards will lapse, unless the Board determines otherwise.

7.2 Control Events

- (a) In the event of a Control Event, the Board may, in its discretion, determine that all or a specified number of a Participant's unvested Awards vest or in the case of Options may be exercised having regard to all relevant circumstances, including whether performance is in line with the Performance Conditions over the date of grant of the Award to the date of the relevant Control Event.
- (b) Where the Board makes a determination pursuant to clause 7.2(a), the Board will, as soon as practicable, give written notice to each Participant of the number of Awards that have vested or may be exercised.
- (c) If the Board does not make a determination, or determines that only some of a Participant's unvested Awards will vest, all Awards that remain unvested will lapse, unless the Board determines otherwise.

7.3 Effect on Shares

On the occurrence of a Takeover Event or a Control Event:

- (a) all Shares Allocated under the Plan then subject to a Dealing restriction under clause 6 will be released from the restriction; and
- (b) where Shares Allocated under the Plan are held on behalf of the Participant, on receiving notice from the Company that a Takeover Event or Control Event has occurred, the Company will require the trustee to arrange for the Shares to be transferred into the name of the Participant, unless the Board determines otherwise.

7.4 Acquisition of shares in Acquiring Company

If a company (**Acquiring Company**) obtains control of the Company as a result of:

- (a) a Takeover Bid;
- (b) a proposed scheme of arrangement between the Company and its members;

- (c) a selective capital reduction; or
- (d) another corporate action,

and the Company, the Acquiring Company and the Participant agree, a Participant may, upon vesting of Performance Rights or exercise of Options be provided with shares of the Acquiring Company or its parent in lieu of Shares, on substantially the same terms and subject to substantially the same conditions as the Shares, but with appropriate adjustments to the number and kind of shares subject to the Awards.

8. Adjustments to Awards

- (a) An Award does not confer on a Participant the right to participate in new issues of Shares by the Company, including by way of bonus issue, rights issue or otherwise.
- (b) Subject to all applicable laws and the Listing Rules, the Board may make such adjustments as it considers appropriate, if any, to one or more of the following:
 - (i) the number of Awards;
 - (ii) the Exercise Price of an Option;
 - (iii) where an Option has been exercised but no Shares have been Allocated following the exercise, the number of Shares which may be Allocated; or
 - (iv) the terms of a Performance Condition,
 in the event of any of the circumstances set out in clause 8(c).
- (c) The circumstances in which the Board may make the adjustments under clause 8(b) are:
 - (i) if there are variations in the share capital of the Company, including a capitalisation of reserves or distributable profits, rights issue, sub-division, consolidation or reduction of share capital, a demerger (in whatever form) or other distribution in specie; or
 - (ii) in relation to a Performance Condition, other events not in the ordinary course (and not related solely to the performance of the Group) which cause the Board to consider that the original terms of the Performance Condition are no longer measurable, meaningful and/or likely to incentivise Participants appropriately, provided that the Performance Condition is in the opinion of the Board no less difficult to satisfy than the original Performance Condition as at the time the Award was made.
- (d) Where additional Awards are granted to the Participant under this clause 8, such Awards will be subject to the same terms and conditions as the original Awards granted to the Participant (including any Performance Conditions) unless the Board determines otherwise.
- (e) The Board must as soon as reasonably practicable after making any adjustments under this clause 8, give notice in writing of the adjustment to any affected Participant.

9. Withholding

- (a) If a Group Company is obliged, or reasonably believes it may have an obligation, as a result of or in connection with:

- (i) the grant of an Award to a Participant, or the vesting or exercise of any Award;
- (ii) the payment of any cash amount to a Participant (including pursuant to clause 5.1 and 5.3); or
- (iii) the Allocation of Shares to, or on behalf of, a Participant (including pursuant to clause 5.1 and 5.3),

to account for income tax or employment taxes under any wage, withholding or other arrangements or for any other tax, social security contributions or levy or charge of a similar nature (**Tax Liability**), then the Group Company is entitled to, at their election:

- (iv) withhold such amounts and make such arrangements as it considers necessary; or
- (v) be reimbursed by the Participant,

for the amount or amounts so paid or payable.

- (b) Where paragraph 9(a) applies, the Group Company is not obliged to grant the Awards, pay the relevant amount or Allocate the relevant Shares to the Participant unless the Group Company is satisfied that arrangements have been made for withholding, payment or reimbursement of the Tax Liability. Those arrangements may include, at the Group Company's election:

- (i) the Participant forgoing their entitlement to an equivalent number of Shares that would otherwise be Allocated to the Participant;
- (ii) a reduction in any amount that is otherwise payable to the Participant; or
- (iii) the sale, on behalf of the Participant, of Shares Allocated or otherwise to be Allocated to the Participant and where this happens, the Participant will also reimburse the costs of any such sale, including any stamp duty or brokerage, in addition to the Tax Liability.

10. Participants based overseas

10.1 Non-Australian residents

When an Award 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 applicable or relevant laws, matters of convenience and desirability and similar factors which may have application to the Participant or to the Company in relation to the Award.

10.2 Transfers outside Australia

If a Participant is transferred to work for a Group Company outside Australia and, as a result of that transfer, the Participant would:

- (a) suffer a tax disadvantage in relation to their Awards which is demonstrated to the satisfaction of the Board; or
- (b) become subject to restrictions on their ability to Deal with the Awards, or to hold or Deal in the Shares or the proceeds of the Shares acquired on vesting or exercise, because of the laws (including securities or exchange control laws) of the country to which he or she is transferred,

then, if the Participant continues to hold an office or employment with a Group Company, the Board may decide that the Awards will vest or in the case of Options may be exercised on a date the Board determines before or after the transfer takes effect. The Awards will vest to, or on behalf of, the Participant to the extent permitted by the Board and will not lapse as to the balance. The Options may be exercised to the extent permitted by the Board.

11. Applicable Law

- (a) Notwithstanding any other provision of these Rules, no Award or Share may be offered under the Plan if to do so would contravene the Corporations Act, the Listing Rules or instruments of relief issued by ASIC from time to time relating to employee incentive schemes which the Company is relying on.
- (b) Notwithstanding any other provision of these Rules, Awards and Shares must not be issued, assigned, transferred, sold, purchased or otherwise dealt with under the Plan if to do so would contravene the Applicable Law.
- (c) These Rules and the entitlements of Participants under these Rules are subject to the Applicable Law.
- (d) Notwithstanding any other provision of these Rules, every provision set out in an exemption from, or modification to, the provisions of the Corporations Act granted from time to time by ASIC in respect of the Plan that is required to be included in these Rules in order for the exemption or modification to have effect is deemed to be contained in these Rules.
- (e) To the extent that any provision deemed by clause 11(d) to be contained in these Rules is inconsistent with any other provision in these Rules, the deemed provision will prevail.

12. Amendments to the Plan

12.1 Power to make amendments

- (a) Subject to clause 12.2, the Board may at any time by resolution:
 - (i) amend all or any of the provisions of the Plan; or
 - (ii) amend the terms or conditions of any Award granted under the Plan.
- (b) For the avoidance of doubt, any exercise by the Board of a discretion contemplated by these Rules (including under clause 8(b)) or the Terms of an Award will not constitute an amendment pursuant to this clause 12.

12.2 Restrictions on amendments

Subject to clause 12.3, the Board may not exercise its powers under clause 12.1(a) in a manner which adversely affects the existing rights of the Participant in respect of any granted Award or Share already Allocated except with the consent of the Participant or with approval of at least 75% of the Participants holding Awards affected by an amendment.

12.3 Permitted amendments

Clause 12.2 does not apply to an amendment which the Board considers necessary or desirable to:

- (a) comply with or to take account of a change in legislation, the Listing Rules, exchange control, or other regulatory requirement governing or regulating the

maintenance or operation of the Plan or similar plans, in any jurisdiction in which invitations under the Plan have been made;

- (b) correct any manifest error or mistake; or
- (c) take into consideration possible adverse tax implications in respect of the Plan arising from, amongst others, adverse rulings, changes to tax legislation or changes in the interpretation of tax legislation by a court of competent jurisdiction.

12.4 Termination or Suspension of the Plan

- (a) The Board may, at any time, terminate or suspend the Plan.
- (b) The termination or suspension of the Plan will not affect any existing Awards granted under the Plan and the terms of the Plan will continue to apply to such Awards provided that, in the case of termination, all Shares Allocated under the Plan then subject to a Dealing restriction under clause 6 will be released from the restriction on the date of termination or on such other date specified by the Board.
- (c) A Participant may not claim any compensation as a result of termination or suspension of the Plan.

13. Rights and obligations of Participant

- (a) Unless the subject of an express provision in an employment contract, the rights and obligations of any Eligible Executive under the terms of their office, employment or contract with the Group are not affected by their participation in the Plan.
- (b) These Rules do not form part of, and are not incorporated into, any contract of any Eligible Executive (whether or not they are an employee of a Group Company).
- (c) Nothing in these Rules:
 - (i) confers on any Eligible Executive the right to become or remain an Eligible Executive or to participate in the Plan;
 - (ii) confers on any Eligible Executive or Participant the right to continue as an employee of a Group Company;
 - (iii) affects any rights which a Group Company may have to terminate the employment of an Eligible Executive or will be taken into account in determining an Eligible Employee's or Participant's termination or severance pay;
 - (iv) may be used to increase damages in any action brought against a Group Company in respect of such termination of employment; or
 - (v) confers any responsibility or liability on any Group Company or its directors, officers, employees, representatives or agents in respect of any taxation liabilities of the Eligible Employee or Participant.
- (d) The grant of Performance Rights on a particular basis in any year does not create any right or expectation of the grant of Awards on the same basis, or at all, in any future year.
- (e) No Participant has any right to compensation for any loss in relation to the Plan, including:

- (i) any loss or reduction of any rights or expectations under the Plan in any circumstances or for any reason (including lawful or unlawful termination of employment or the employment relationship);
- (ii) any exercise of a discretion or a decision taken in relation to a grant of Awards or in relation to the Plan, or any failure to exercise a discretion under these Rules; or
- (iii) the operation, suspension, termination or amendments of the Plan.

14. Administration of the Plan

14.1 Power of the Board

- (a) The Plan will be administered by the Board.
- (b) The Board has power to:
 - (i) determine appropriate procedures for administration of the Plan consistent with these Rules;
 - (ii) appoint or engage service providers for the operation and administration of the Plan; and
 - (iii) delegate to any one or more persons for such period and on such conditions as it may determine the exercise of any of its powers or discretions arising under the Plan.
- (c) Except as otherwise expressly provided in the Plan, the Board has absolute and unfettered discretion to act or refrain from acting under or in connection with the Plan and in the exercise of any power or discretion under the Plan.
- (d) The Board may determine to implement an employee share trust for the purposes of delivering and holding Shares on behalf of Participants upon the vesting or exercise of Awards.

14.2 Waiver of terms and conditions

Notwithstanding any other provisions of the Plan, the Board may at any time waive in whole or in part any terms or conditions (including any Performance Condition) in relation to any Awards granted to any Participant.

14.3 Dispute or disagreement

In the event of any dispute or disagreement as to the interpretation of the Plan, or as to any question or right arising from or related to the Plan or to any Awards granted under it, the decision of the Board is final and binding.

14.4 Liability

The Group Companies and their respective directors and officers are not liable for anything done or omitted to be done by such person or any other person with respect to:

- (a) the price, time, quantity or other conditions and circumstances of the acquisition, custody or sale of Shares;
- (b) any fluctuations in the market price of Shares; and
- (c) anything done in connection with the Plan,

except for the dishonesty, fraud or wilful default of such person.

14.5 Appointment of agent

Each Participant appoints the company secretary of the Company (or any other officer of the Company authorised by the Board for this purpose) as his or her agent to do anything necessary to:

- (a) Allocate Shares to the Participant in accordance with these Rules;
- (b) effect a forfeiture of Shares in accordance with these Rules; and
- (c) execute transfers of Shares in accordance with these Rules.

14.6 Data protection

By participating in the Plan, each Participant consents to the holding and processing of personal data provided by the Participant to the Company for all purposes relating to the operation of the Plan. These include, but are not limited to:

- (a) administering and maintaining Participants' records;
- (b) providing information to trustees of any employee benefit trust, registrars, brokers or third party administrators of the Plan;
- (c) providing information to future purchasers of the Company or the business in which the Participant works; and
- (d) transferring information about the Participant to a country or territory outside Australia.

14.7 Connection with other plans

- (a) A Group Company is not restricted to using the Plan as the only method of providing incentive rewards to employees and may approve and introduce other incentive plans.
- (b) Participation in the Plan does not affect, and is not affected by, participation in any other incentive or other plan operated by the Group Companies unless the terms of that other plan provides otherwise or unless otherwise stated in the Invitation.

14.8 Amounts owing by a Participant

Where a Participant owes any amount or amounts to a Group Company, including the outstanding balance of any loan account, any overpayment of leave or wages or salary, or any loss suffered by a Group Company as a result of any breach of contract, statutory duty or tort committed by the Participant, the Board may, in respect of any Awards granted to the Participant:

- (a) prevent the exercise of some or all of the Awards;
- (b) determine that some or all of the Awards lapse; or
- (c) reduce the number of Awards which vest,

to take into account of and in settlement of any such amounts.

15. Notices

- (a) Any notice, consent or other communication under or in connection with the Plan may be given by the Company to an Eligible Executive or Participant if:
 - (i) delivered personally to the addressee or sent by prepaid post to his or her last known residential address or to the address of the place of business at which the Participant performs all or most of their duties (**Place of Business**);
 - (ii) sent to him or her by facsimile or email to his or her last notified fax number or email address or to fax number or email address at the Place of Business; or
 - (iii) posted on any intranet or website maintained by the Company or an administrator of the Plan and accessible by that Eligible Executive or Participant.
- (b) Any notice, consent or other communication under or in connection with the Plan may be given by an Eligible Executive or Participant to a Group Company if delivered or by sending it by post or facsimile to its registered office (or any other address notified by that company from time to time for that purpose (**Notified Address**)) or the fax number (if any) of that registered office (or Notified Address).
- (c) Where a notice or other communication is given by post, it is deemed to have been received 48 hours after it was posted. Where a notice or other communication is given by facsimile or email, it is deemed to have been received on completion of transmission.

16. Governing Law

The Rules and the rights of Eligible Employees and Participants under the Plan are governed by and must be construed according to the law applying in New South Wales, Australia.