

ReNerve

# Employee Option Plan

**ReNerve Limited**

**ACN 614 848 216**

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# Contents

Employee Option Plan.....	1
Disclaimer .....	3
Employee Option Plan Rules.....	4
1. Administration.....	4
Administration of Employee option plan and delegation.....	4
Calculations and adjustments.....	5
Absolute discretion.....	5
Powers to be exercised by the Board .....	5
2. Vesting of Options .....	5
Vesting conditions .....	5
Options only vest if vesting conditions/events satisfied .....	6
How to exercise an Option.....	6
3. Treatment of Options for Leavers .....	6
When a person becomes a Leaver and what the Board can do.....	6
4. Disposal.....	7
Permitted Disposals .....	7
No Disposal before Exit Event .....	7
Overriding restriction on Disposal in first 3 years .....	8
5. Issue of Ordinary Shares in respect of the exercise of Outstanding Options .....	8
Rights attaching to Shares issued to Optionholders on exercise of Outstanding Options .....	8
Shareholders Agreement .....	9
6. Procedure on Exit Event .....	9
What happens if there is a listing or sale of the Company or its business? .....	9
Company may require Options to be exercised or lapse if an Exit Event is to occur .....	10
What happens if Majority Shareholders want to sell their shares? .....	10
7. Listings .....	11
8. Reorganisation Event.....	12
9. No effect .....	12
Employee option plan does not impact on employment relationship .....	12
Option does not give the right to new issues of shares, to vote as a Shareholder.....	13
10. General.....	13
11. Definitions and interpretation.....	15
Definitions .....	15
Interpretation.....	21
Schedule 1.....	22
Option Exercise Notice .....	22

# Disclaimer

This Employee share plan is produced for general information only.

The Employee share plan is provided on the basis that it does not represent professional advice given by the Commonwealth or any person acting for the Commonwealth for any particular purpose. Because the circumstances of users may vary greatly, the material in the Employee share plan is not intended to provide specific guidance for particular circumstances and it should not be relied on as the basis for any decision to take action or not take action on any matter which it covers. Users should make their own further enquiries (including as to the accuracy, currency, reliability or completeness of any information contained in the Employee share plan) and obtain professional advice where appropriate, before making any such decision. To the maximum extent permitted by law the Commonwealth and all persons acting for the Commonwealth, in preparing the Employee share plan, disclaim all responsibility and liability to any person, arising directly or indirectly from any person taking or not taking action based upon the information in the Employee share plan.

The guidance notes in this document, the Application Form and the Instructions for using the standard documentation (the *Instructions*) are not exhaustive and users of this document should consider obtaining legal advice in relation to this document and the Application Form (including in relation to obligations under the *Corporations Act 2001* and the availability of the start-up concession).

# Employee Option Plan Rules

The Rules of the Employee option plan are set out in this document.

An offer of Options is made in an Offer Letter provided by the Company. This document should be read with that Offer Letter. In this document:

- Section 1 sets out how the Employee option plan is administered. Essentially the Board administers the Employee option plan, and is responsible for the terms of any Offer made.
- Section 2 deals with the mechanics of vesting. An Option must vest before an Optionholder can exercise the Option (exercise of Options is addressed in Section 5).
- Rule 2(e) provides that Options must be exercised during the Exercise Period.
- Section 3 addresses what happens if an Optionholder leaves employment or ceases to be engaged by the Company.
- Section 4 addresses the restrictions that can be placed on the Disposal of Options.
- Sections 6, 7 and 8 relate to a sale of the Company, a Listing or changes to the capital structure of the Company.

The remainder of the document contains procedural provisions in relation to the Employee option plan. Definitions are set out at the end of the document.

## 1. Administration

### Administration of Employee option plan and delegation

- a) The Employee option plan is to be administered by the Board.
- b) The Board may delegate some or all of its powers in administering this Employee option plan to a sub-committee of the Board.
- c) Subject to these Rules, the Board or any sub-committee appointed to administer this Employee option plan shall have the power, in its sole discretion:
  1. to select the persons to participate in the Employee option Plan (these are referred to as **Eligible persons**)
  2. to determine the terms and conditions of any Offer, including:
    - A. the number of Options the subject of the Offer
    - B. the purchase price for those Options
    - C. any trustee or nominee holding arrangements required to be entered into in connection with those Options
    - D. the vesting, disposal and forfeiture restrictions applying to those Options, and
    - E. the manner in which the Offer may be accepted.

3. to amend any Offer related to any Option
4. to determine appropriate procedures, regulations and guidelines for the administration of the Employee option plan, and
5. to take advice in relation to the exercise of any of its powers or discretions under these Rules.

## Calculations and adjustments

- (d) Any calculations or adjustments which are required to be made by the Board or any sub-committee of the Board, in connection with this Employee option plan will, in the absence of manifest error, be final and conclusive and binding on all Eligible persons and Optionholders.

## Absolute discretion

- (e) here these Rules provide for a determination, decision, declaration or approval of the Board or any sub-committee of the Board, such determination, decision, declaration or approval may be made or given by the body in its absolute discretion.

## Powers to be exercised by the Board

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

# 2. Vesting of Options

## Vesting conditions

- (1) The vesting conditions attached to any options are determined by the Board in its sole discretion and are defined in the Offer.
- (2) If the Offer does not contain any vesting conditions then the options vest in four (4) equal tranches:
  - A. in respect of 1/4 of the number of Options the subject of an Offer, on the date which is 12 months after the issue date of the Options (Year 1),
  - B. in respect of 1/4 of the number of Options the subject of an Offer, on the date which is 24 months after the issue date of the Options (Year 2),
  - C. in respect of 1/4 of the number of Options the subject of an Offer, on the date which is 36 months after the issue date of the Options (Year 3), and
  - D. in respect of the remaining 1/4 of the Options the subject of the Offer, on the date which is 48 months after the issue date of the Options (Year 4).

## Options only vest if vesting conditions/events satisfied

- a) An Option will only vest on the occurrence or satisfaction of the condition or other vesting events specified in respect of that Option.

## How to exercise an Option

- b) An Optionholder may exercise an Outstanding Option during the Exercise Period, by:
  - (1) giving to the Company a signed Exercise Notice, and
  - (2) paying the Exercise Price multiplied by the number of Options being exercised.

# 3. Treatment of Options for Leavers

## When a person becomes a Leaver and what the Board can do

- a) For the purposes of this rule 3, an Optionholder is a “**Leaver**” if the Optionholder ceases to be employed or contracted by a Company Group Member. (If an Optionholder is a trust company or nominee for the person who was first offered Options then this rule applies when that person ceases to be employed or contracted by a Company Group Member.)
- b) Where an Optionholder becomes a Leaver (**Trigger Event**), the Board may, in its absolute discretion, exercise the rights below in relation to the Optionholder’s Options.
- c) If a Trigger Event occurs in relation to an Optionholder, the Board may in its absolute discretion:
  - (1) serve a notice in writing on the Leaver (**Lapse Notice**), advising the Leaver that all or some of his or her Options, whether vested or unvested, have lapsed on the date specified in the Lapse Notice
  - (2) serve a notice in writing on the Leaver (**Transfer Notice**), requiring the Leaver sell some or all of his or her vested Options (**Transfer Options**) to any person nominated by the Board, including:
    - A. to any other Eligible Person or their nominee
    - B. to an entity approved by the Board for the purpose of holding the Transfer Options temporarily with the purpose of transferring such Transfer Options to Eligible Persons or their nominees in the future, or
    - C. to any other entity approved by the Board,(such person or persons for the purposes of this rule 3 being the (**Transferee**)) on the terms of sale set out in this rule 3 and the Leaver

must transfer the Transfer Options in accordance with the Transfer Notice and is deemed to appoint the directors of the Company as its attorney for this purpose (and for the avoidance of doubt, the provisions of the power of attorney contained in an acceptance of offer signed by the Optionholder or Eligible Person (as applicable), apply for the purposes of this rule), or

- (3) serve a notice in writing giving the Optionholder 30 days to exercise any vested Options, after which any unexercised options automatically expire.
- (4) allow the Leaver to retain some or all of his or her Options

or any combination of the above, as the Board determines in its absolute discretion.

- d) The price for the Transfer Options pursuant to rule 3(1)(2) will be their Fair Market Value as at the date of the Trigger Event.
- e) Completion of the sale of the Transfer Options must occur on the date determined by the Board in its absolute discretion and notified to the Leaver.

## 4. Disposal

### Permitted Disposals

- a) Subject to the restriction on Disposal in rule 4(c), a legal or beneficial interest in an Option may be Disposed of pursuant to:
  - (1) a transfer by an Optionholder of any of its Options to a nominee or trustee for that person, and any such nominee or trustee may transfer Options to any other nominee or trustee or to the beneficiary provided that no beneficial interest in the Options passes as a result of the transfer
  - (2) a transfer of Options by an Optionholder who is a natural person to the trustee or trustees of a family trust set up for the benefit of that person's family provided that a person acquiring Options pursuant to this rule 4(a)(2) is not entitled to transfer any Options except for a transfer to the person from whom the transferee acquired the Options
  - (3) in the event of the death of an Optionholder, a transfer or transmission of the deceased Optionholder's Options to the deceased Optionholder's estate
  - (4) a transfer by an Optionholder of any of its Options where such transfer has been consented to in writing by the Board, or
  - (5) a sale or transfer by an Optionholder of any of its Options where such sale or transfer is otherwise permitted or required by these Rules.

### No Disposal before Exit Event

- b) Unless otherwise consented to by the Board in writing and notwithstanding any other provision in this Employee option Plan or an Offer, a legal or a beneficial interest in an Option may not be Disposed of until after:

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

## Overriding restriction on Disposal in first 3 years

- d) Unless an Optionholder disposes of an Option or an Option Share under an arrangement which meets the requirements in section 83A-130 of the Tax Act, a legal or a beneficial interest in an Option or an Option Share may not be Disposed of until the earlier of:
  - 1) 3 years after the issue of the Option or such earlier time as the Commissioner of Taxation allows in accordance with section 83A-45(5) of the Tax Act; and
  - 2) where the Optionholder becomes a Leaver (as defined in rule 3(a)).

## 5. Issue of Ordinary Shares in respect of the exercise of Outstanding Options

### Rights attaching to Shares issued to Optionholders on exercise of Outstanding Options

- a) Subject to rule 5(c), if an Optionholder exercises Outstanding Options, the Company must:
  - (1) issue the number of Ordinary Shares which corresponds with the number of Outstanding Options exercised, free from any Security Interest;
  - (2) issue to the Optionholder or a trustee or nominee to hold on bare trust for that Optionholder (if determined by the Board or nominated by the Optionholder) a share certificate for those Ordinary Shares and enter the Optionholder into the Company's share register; and
  - (3) lodge with the Australian Securities & Investments Commission the relevant forms to reflect the issue of the relevant number of Option Shares.
- b) All Option Shares issued on exercise of Options in accordance with this rule 5 will:
  - (1) be issued as fully paid;
  - (2) be free of any Security Interests; and

- (3) rank equally in all respects with the other Ordinary Shares on issue in the Company as at the date of issue and be subject to the terms of the Constitution and Shareholders Agreement.

## Shareholders Agreement

- c) Despite anything else in this Option Plan, pursuant to the Shareholders Agreement, unless the Board otherwise determines, no Optionholder may receive any Option Shares upon the exercise of Options, unless:
  - (1) the Optionholder (or any nominee or trustee to whom the Option Shares are to be issued (**Nominee Shareholder**)) first executes and delivers to the Company a document (in the form prescribed by the Board) pursuant to which the Optionholder or Nominee (as applicable) accedes to, and becomes bound by, the terms of the Shareholders Agreement; or
  - (2) the Optionholder or Nominee Shareholder (as applicable) is already a party to the Shareholders Agreement.

## 6. Procedure on Exit Event

### What happens if there is a listing or sale of the Company or its business?

- (a) On or prior to an Exit Event, the Board may, in its absolute discretion:
  - (1) where there is a Reconstruction as part of the Exit Event:
    - (A) provide for the grant of new options in substitution of some or all of the Options on a like for like basis, by the New Holding Entity or any Related Body Corporate of the New Holding Entity;
    - (B) arrange for some or all of the Options to be acquired by the New Holding Entity in exchange for their Fair Market Value on the date of completion of the Reconstruction;
  - (2) buy back or cancel some or all of the Options (whether vested or not) in exchange for their Fair Market Value; or
  - (3) take the following steps:
    - (A) notify an Optionholder of the number of Options that will vest as a result of the Exit Event occurring;
    - (B) make appropriate arrangements to ensure that such Options and all other Outstanding Options are able to be exercised on or prior to the Exit Date; and
    - (C) use reasonable endeavours to ensure that the Option Shares issued at or about the time of an Exit Event are accorded the same rights and

receive the same benefits in relation to the Exit Event as pre-existing Ordinary Shares,  
or take any combination of the above steps.

## Company may require Options to be exercised or lapse if an Exit Event is to occur

(b) If:

- (1) the Company expects an Exit Event to occur; or
- (2) an Exit Event not anticipated by the Company does occur,  
then the Company may, by notice to all Optionholders, require that all Outstanding Options (including those Options vesting under rule 6(a)(3)) either be exercised:
- (3) on or before the Exit Date pertaining to the relevant Exit Event; or
- (4) in the case of an unanticipated Exit Event, a date after the Exit Date for that event,

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

## What happens if Majority Shareholders want to sell their shares?

- (c) In connection with an Exit Event, on or prior to the Exit Event, the Board must if requested to do so by the Majority Shareholders (**Dragging Shareholders**) issue a notice (**Drag-along Notice**) to the Company and to each Eligible Persons and Optionholder (such Eligible Person and Optionholders each referred to as the "**Dragged Holder**") stating that they want the Dragged Holder to sell all of its Option Shares to:
- (1) a third party buyer in connection with a Share Sale;
  - (2) an IPO Entity in connection with a Listing; or
  - (3) a New Holding Entity in connection with a Share Sale or Asset Sale.
- (d) The Drag-along Notice must specify:
- (1) the number of Shares which the Dragging Shareholders propose to sell (**Sale Shares**), which must be all of the Shares held by those Dragging Shareholders;
  - (2) the name of the proposed buyer of the Sale Shares (**Third Party Buyer**), and the material terms on which the Dragging Shareholders propose to sell the Sale Shares;
  - (3) that the Third Party Buyer is either:

- (A) a prospective third party purchaser who has made an offer to purchase the Sale Shares at the price and on the terms set out in the Drag-along Notice;
    - (B) an IPO Entity; or
    - (C) a New Holding Entity;
  - (4) the sale price per Share (which may be cash consideration, scrip consideration or a combination of both cash and scrip); and
  - (5) that the Dragging Shareholders require the Dragged Holder to sell all of the Dragged Holder's Option Shares to the Third Party Buyer in accordance with this rule 6(c)-(j).
- (e) A Drag-along Notice is irrevocable.
  - (f) If the Dragging Shareholders serve a Drag-along Notice, then subject to rule 4(c), a Dragged Holder must as part of the sale of the Sale Shares to the Third Party Buyer, sell all of its Option Shares to the Third Party Buyer on terms which comply with rules 6(h) and 6(i) and each Optionholder is deemed to appoint the directors of the Company as its attorney for this purpose (and for the avoidance of doubt, the provisions of the power of attorney contained in an acceptance of offer signed by the Optionholder or their Eligible Person (as applicable) apply for the purposes of this rule).
  - (g) If the Dragged Holder is prevented from Disposing of their Option Shares under rule 4(c), then this rule 6(c)-(j) (excluding this rule 6(g)) will not apply to the Dragged Holder in respect of those Option Shares.
  - (h) The sale of the Dragged Holder's Option Shares to the Third Party Buyer under this rule 6(c)-(j) must be for the same sale price per Share as those applicable to the sale by the Dragging Shareholders of the Sale Shares to the Third Party Buyer.
  - (i) The Dragging Shareholders must procure that the purchase price payable for the Dragged Holder's Option Shares is paid on the closing of the purchase and sale, which must take place at the same time as the closing of the sale of the Sale Shares by the Dragging Shareholders to the Third Party Buyer.
  - (j) Without limiting rule 6(f), at least 7 days before the closing of the purchase and sale of the Dragged Holder's Option Shares, the Dragged Holder must deliver to the Third Party Buyer:
    - (1) the share certificates and an executed transfer for the Dragged Holder's Option Shares; and
    - (2) a duly executed notice irrevocably appointing the Third Party Buyer as the Dragged Holder's proxy in respect of the Dragged Holder's Option Shares until such time as those Option Shares are registered in the name of the Third Party Buyer.

## 7. Listings

Each Eligible Person and Optionholder agrees and represents that:

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

## 8. Reorganisation Event

- (a) Subject to this rule 8, the Employee option plan continues to apply in full force and effect despite any Reorganisation Event.
- (b) If any Reorganisation Event occurs before all Options capable of vesting in favour of the Optionholder have vested in favour of that Optionholder, the Company will procure that the terms of the Employee option plan are varied in such a way as determined by the Board in its absolute discretion, which neither disadvantages nor advantages that Optionholder nor adversely affects the rights of the other holders of Shares, to account for the effect of the Reorganisation Event.
- (c) Each Optionholder and Eligible Person agrees to any such variations to the Employee option plan.

## 9. No effect

### Employee option plan does not impact on employment relationship

- (a) This Employee option plan does not form any part of any contract of employment, consultancy or directorship between a Company Group Member and an Eligible Person.
- (b) Nothing in this Employee option Plan:
  - (1) confers on an Eligible Person any right to continue as an employee, contractor or director of a Company Group Member;

- (2) affects the rights which a Company Group Member or any other person may have to terminate the employment, consultancy or office of an Eligible Person; or
- (3) may be used to increase any compensation or damages in any action brought against a Company Group Member or any other person in connection with the termination of employment or consultancy or removal from office of an Eligible Person.

## Option does not give the right to new issues of shares, to vote as a Shareholder

(c) An Offer will be in respect of a single grant of Options and does not entitle an Eligible Person to participate in any subsequent grants.

(d) An Option does not confer on an Eligible Person or an Optionholder:

- (1) any voting rights in respect of Shares or in respect of any other equity securities of the Company;
- (2) the right to participate in new issues of Shares or other equity securities of the Company;
- (3) the right to attend or vote at any general meeting or other meeting of holders of any Shares or other equity securities of the Company;
- (4) the right to receive any dividends or other distributions or to receive or otherwise participate in any returns of capital from the Company; or
- (5) the right to participate in a liquidation or winding up of the Company.

## 10. General

(a) The Company is not responsible for any duties or taxes which may become payable by the Optionholder or their Eligible Person in connection with the issue of Options or any other dealing with the Options or in relation to the Option Shares.

(b) Subject to rule 1, the Employee option plan and these Rules may be amended from time to time by resolution of the Board subject to the requirements from time to time of the Corporations Act. Any such amendment however, must not adversely affect the rights of Eligible Persons or Optionholders in respect of Options granted prior to such amendment without the consent of those Eligible Persons and Optionholders (as applicable), unless such amendment is required by, or necessitated by, law.

(c) Each Eligible Person and Optionholder agrees that it will complete and return to the Company such other documents as may be required by law to be completed by the Eligible Person or Optionholder from time to time in respect of the transactions contemplated by the Employee option plan, or such other documents which the Company reasonably considers should, for legal, taxation or administrative reasons,

be completed by the Eligible Person or Optionholder in respect of the transactions contemplated by the Employee option plan.

(d) The Company may, in its sole discretion:

- (1) make Offers to Eligible Persons who reside outside of Australia; and
- (2) make regulations for the operation of the Employee option plan which are not inconsistent with these Rules to apply to Eligible Persons who reside outside of Australia.

(e) Any notice regarding the Options will be sent to the registered address of the referable Optionholder as recorded in the register of Optionholders maintained by the Company.

(f) This Employee option plan is governed by and shall be construed in accordance with the laws of the state where the Company is incorporated.

# 11. Definitions and interpretation

## Definitions

The meanings of the terms used in these Rules are set out below.

Term	Meaning
<b>Board</b>	the board of directors of the Company.
<b>Business Sale</b>	a sale to a third party purchaser of all (or substantially all) of the assets and business undertaking of the Company Group (including by way of a sale of shares of the Company's directly or indirectly owned Subsidiaries) provided that no sale or transfer undertaken to effect a corporate reorganisation of any of the Company Group will constitute a Business Sale.
<b>Commissioner of Taxation</b>	the office of Commissioner of Taxation created by section 4 of the <i>Taxation Administration Act 1953</i> (Cth).
<b>Company</b>	ReNerve Limited ACN 614 848 216
<b>Company Group</b>	the Company and each Subsidiary (if any) from time to time.
<b>Company Group Member</b>	any member of the Company Group.
<b>Constitution</b>	the constitution of the Company from time to time.
<b>Corporations Act</b>	the <i>Corporations Act 2001</i> (Cth).
<b>Dispose</b>	in relation to a Share or Option:

<b>Term</b>	<b>Meaning</b>
	<p>1 sell, assign, buy-back, redeem, transfer, convey, grant an option over, grant or allow a Security Interest over;</p> <p>2 enter into any swap arrangement, any derivative arrangements or other similar arrangement; or</p> <p>2 otherwise directly or indirectly dispose of a legal, beneficial or economic interest in the Share or Option, (and <b>Disposal</b> has a corresponding meaning).</p>
<b>Drag-along Notice</b>	has the meaning provided in rule 6(c).
<b>Eligible Person</b>	any employee, contractor or director (or prospective employee <sup>1</sup> , contractor or director) of one or more Company Group Members selected by the Board to participate in the Employee option plan.
<b>Employee option plan</b>	the Employee Option Plan constituted by these Rules, as amended from time to time.
<b>Exercise Notice</b>	a notice substantially in the form of Schedule 1.
<b>Exercise Period</b>	in relation to an Option, the period commencing on the date on which the Option vests and ending on the Expiry Date.
<b>Exercise Price</b>	in respect of an Option the exercise price determined by the Board and included in the Offer giving rise to that Option, as amended pursuant to the terms of this Employee option plan.
<b>Exit Date</b>	each of:

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<sup>1</sup> Although this plan can be used for prospective employees, there are a range of criteria that need to be satisfied in order to receive concessional tax treatment, and being a current employee at the time the ESS Interests are granted, is one of them.

<b>Term</b>	<b>Meaning</b>
	<ol style="list-style-type: none"> <li>1 in respect of a Listing, the date of admission of the IPO Entity to the official list of ASX Limited or any other recognised stock exchange;</li> <li>2 in respect of a Share Sale, the date on which the parties complete the sale and purchase of the Shares; or</li> <li>3 in respect of a Business Sale, the date of the first distribution to Shareholders arising from the Business Sale,</li> </ol> <p>or any such other date as nominated by the Board as the Exit Date.</p>
<b>Exit Event</b>	<p>each of:</p> <ol style="list-style-type: none"> <li>1 a Listing;</li> <li>2 a Business Sale; or</li> <li>3 a Share Sale.</li> </ol>
<b>Expiry Date</b>	the date on which the Option lapses under rules 3 or 6(b).
<b>Fair Market Value</b>	as of any date, the fair market value of an Option, as determined by the Board in good faith on such basis as it deems appropriate and applied consistently with respect to all Options.
<b>IPO Entity</b>	a member of the Company Group or a special purpose vehicle formed for the purpose of a Listing which directly or indirectly (including through one or more interposed entities) owns at least 50% per cent (based on earnings) of the business of the Company Group.
<b>Listing</b>	an initial public offering of an IPO Entity to the official list of ASX Limited or any other recognised stock exchange.
<b>Listing Rules</b>	the ASX Listing Rules and any other rules of ASX Limited which apply to an entity while it is a listed entity (or the rules of any other recognised stock exchange (if applicable)), each as

<b>Term</b>	<b>Meaning</b>
	amended or replaced from time to time, except to the extent of any express written waiver by ASX Limited (or any other recognised stock exchange (if applicable)).
<b>Majority Shareholders</b>	Shareholders holding 51% or more of the Ordinary Shares on issue or where there is a Shareholders Agreement, the number of Shareholders specified in the Shareholders Agreement as being 'majority shareholders' (or a similar expression).
<b>New Holding Entity</b>	an entity in which equity securities are issued in exchange for Shares as part of a Reconstruction.
<b>Offer</b>	an offer made to an Eligible Person by or on behalf of the Board to participate in the Option Plan.
<b>Option</b>	an option, issued under this Employee option plan, to acquire a newly issued Ordinary Share.
<b>Optionholder</b>	a person registered in the Company's register of Optionholders as the holder of Options from time to time.
<b>Option Share</b>	an Ordinary Share issued as a result of the exercise by an Optionholder of its Options.
<b>Ordinary Shares</b>	fully paid ordinary shares in the capital of the Company with such rights and obligations as set out in the Constitution.
<b>Outstanding Option</b>	an Option which has vested, has not been exercised and has not lapsed.
<b>Reconstruction</b>	the reconstruction of the Company involving holders of Shares exchanging those Shares for equity securities in a New Holding Entity such that the equity security holders of the New Holding Entity are, or after the reconstruction become, the same or substantially the same as the former holders of Shares.

<b>Term</b>	<b>Meaning</b>
<b>Related Body Corporate</b>	has the meaning given in the Corporations Act.
<b>Reorganisation Event</b>	<p>any one or more of the following:</p> <ol style="list-style-type: none"> <li>1 a distribution of cash or securities by way of a return of capital;</li> <li>2 a bonus issue of Shares by the Company;</li> <li>3 a share split, consolidation or other similar action in respect of the share capital of the Company; or</li> <li>4 any other internal reorganisation, recapitalisation, reclassification or similar event with respect to the share capital of the Company.</li> </ol>
<b>Rules</b>	these terms and conditions, as amended from time to time.
<b>Security Interest</b>	<p>an interest or power:</p> <ol style="list-style-type: none"> <li>1 reserved in or over an interest in any asset including any retention of title; or</li> <li>2 created or otherwise arising in or over any interest in any asset under a security agreement, a bill of sale, mortgage, charge, lien, pledge, trust or power,</li> </ol> <p>by way of, or having similar commercial effect to, security for the payment of a debt, any other monetary obligation or the performance of any other obligation, and includes, but is not limited to:</p> <ol style="list-style-type: none"> <li>3 any agreement to grant or create any of the above; and</li> <li>4 a security interest within the meaning of section 12 of the Personal Property Securities Act 2009 (Cth).</li> </ol>
<b>Share Sale</b>	the sale by Shareholders (in one transaction or a series of connected transactions) to a third party purchaser of all of the issued Shares provided that no sale or transfer undertaken to effect a corporate reorganisation of any of the Company Group will constitute a Share Sale.
<b>Shareholder</b>	a person who is the registered holder of a Share.

<b>Term</b>	<b>Meaning</b>
<b>Shareholders Agreement</b>	the shareholders agreement in respect of the Company.
<b>Shares</b>	shares in the capital of the Company with such rights and obligations as set out in the Constitution.
<b>Subsidiary</b>	has the meaning given in the Corporations Act.
<b>Tax Act</b>	the <i>Income Tax Assessment Act 1997</i> (Cth).

# Interpretation

In these Rules, unless the context otherwise requires:

- (a) headings and guidance notes are for convenience only and do not affect the interpretation of these Rules;
- (b) the singular includes the plural and vice versa;
- (c) the word person includes a firm, a body corporate, an unincorporated association and an authority;
- (d) a reference to any statute, ordinance, code or other law includes regulations and other instruments under, and consolidations, amendments, re-enactments or replacements of, any of them;
- (e) a reference to a document includes an amendment or supplement to, or replacement or novation of, that document;
- (f) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and assigns;
- (g) an agreement, representation or warranty on the part of or in favour of two or more persons binds or is for the benefit of them jointly and severally;
- (h) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (i) a reference to a currency is a reference to Australian currency unless otherwise indicated;
- (j) where a word or phrase is given a particular meaning, other parts of speech and grammatical forms of that word or phrase have corresponding meanings;
- (k) specifying anything after the words 'including' or 'for example' or similar expressions does not limit what else is included; and
- (l) a reference to time is a reference to the time in the capital city of the state where the Company is incorporated.

# Schedule 1

## Option Exercise Notice

I, ..... (the "**Optionholder**") being the registered holder of the Options specified below, elect to exercise those Options pursuant to rule 5 of the Employee Option Plan in respect of ReNerve Limited ACN 614 848 216 ("**Company**").

**Options being exercised:**

Total number of Options being exercised .....

**Exercise Price:**

Exercise Price per Option .....

Total Exercise Price .....

I agree to be bound by the provisions of the constitution of the Company and Shareholders Agreement, upon being issued Ordinary Shares.

Signed by the Optionholder: .....

Date: .....