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ABN 78 008 947 813

19 October 2015

Company Announcements Office  
ASX Limited  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2001

Dear Sir/Madam

### **Employee Rights Plan**

Please find attached a copy of the Employee Rights Plan (ERP) to be considered for renewal at the Annual General Meeting of the Company on 20 November 2015.

Yours faithfully  
**Index Limited**

A handwritten signature in blue ink, appearing to read "P. Evans", with a long horizontal flourish extending to the right.

**Paul Evans**  
Company Secretary

# Index Limited Employee Rights Plan

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Index Limited ACN 008 947 813

October 2015

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# Index Limited Employee Rights Plan

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## 1. Definitions and interpretation

### 1.1 Definitions

In this Plan:

**Account of a Participant** means an account maintained by the Trustee in accordance with the Trust Deed which, among other things, records the number of Shares provided to a Participant following the Vesting and exercise of Rights.

**ASTC Settlement Rules** means the settlement rules of ASX Settlement and Transfer Corporation Pty Limited ACN 008 504 532.

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

**Board** means all or some of the Directors acting as the board of Index.

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

**Director** means a director of Index.

**Employee** means:

- (a) a person whom the Board determines to be in the permanent full-time or part-time employment of a company in the Group (including a director or a company secretary of a company in the Group who holds salaried employment with that company on a full time or part time basis);
- (b) a person whom, in the Board's discretion it determines to be eligible to participate in the Plan and whom is an officer of a company in the Group including any Director or company secretary regardless of whether that person holds salaried employment or not;
- (c) a person whom the Board determines to be a contractor or casual employee who is, or might reasonably be expected to be, engaged to work the number of hours that are the pro-rata equivalent of 40% or more of a comparable full time position with a company in the Group; or
- (d) a person whom the Board determines is eligible to receive grants of Performance Rights under the Plan.

**Event** means:

- (a) a takeover bid is made to the holders of Shares;
- (b) a statement is lodged with the ASX to the effect that a person has become entitled to not less than 50% of the Shares;
- (c) pursuant to an application made to the court, the court orders a meeting to be held in relation to a proposed compromise or arrangement for the purpose of or in connection

with a scheme for the reconstruction of Imdex or its amalgamation with any other companies;

- (d) Imdex passes a resolution for voluntary winding up; or
- (e) an order is made for the compulsory winding up of Imdex.

**Exercise Period** means the period or periods during which Rights may be exercised as determined by the Board and communicated to the Participant at the time of an offer of Rights under clause 5.1.

**Exercise Price** means the amount (if any) which is payable upon the exercise of a Vested Right, as determined by the Board and communicated to the Participant at the time of an offer of Rights under clause 5.1.

**Exercise Restriction** means a restriction on the ability of a Participant to exercise a Vested Right as determined by the Board and communicated to the Participant at the time of an offer of Rights under clause 5.1.

**Group** means Imdex and each body corporate that is a subsidiary of Imdex under Division 6 of Part 1.2 of the Corporations Act.

**Holding Lock** has the meaning given to that term in the ASTC Settlement Rules.

**Imdex** means Imdex Limited ACN 008 947 813.

**Listing Rules** means the ASX Listing Rules.

**Offer Closing Date** means the last date for acceptance of an offer of Rights.

**Participant** means an Employee who is participating in, or has been invited to participate in, the Plan.

**Performance Criteria** means the performance criteria (including service conditions) set by the Board in respect of a Right which must be met before a Right Vests, as communicated to the Participant at the time of an offer of Rights under clause 5.1.

**Performance Period** means the period or periods determined by the Board in respect of which the Board will measure and, following the end of that Period, assess the performance of the Participant or the Group, or both (as applicable) against the Performance Criteria to determine if a Right Vests, as communicated to the Participant at the time of an offer of Rights under clause 5.1.

**Plan** means this plan, which is known as the Imdex Limited Employee Rights Plan.

**Qualifying Reason** means:

- (a) the death, Total and Permanent Disability, Retirement or redundancy of the Participant as determined by the Board in its absolute discretion;
- (b) the Participant ceasing to be employed by a company within the Group as a result of a company ceasing to be a member of the Group, or a company in the Group selling a business it conducts to someone other than to another company in the Group; or
- (c) any other reason as determined by the Board in its absolute discretion.

**Record Date** has the meaning given to that term in the Listing Rules.

**Restriction Period** means, in respect of a Share provided on the exercise of a Vested Right, the period commencing on the date of allocation of the Share to the Participant and ending on the earliest of:

- (a) the date determined by the Board for the purposes of the restrictions contained in clause 10 and / or notified to the Participant in accordance with clause 5.1(i);
- (b) the date the Participant is no longer employed by a company in the Group, unless the Board determines otherwise;
- (c) the date an Event occurs, unless the Board determines otherwise;
- (d) the 15<sup>th</sup> anniversary of the date of grant of the Right;
- (e) the date Imdex approves a Withdrawal Notice; and
- (f) the date the Board, in its sole and absolute discretion, determines that the restrictions contained in clause 10 be released.

**Retirement** means, in relation to a Participant, the retirement by the Participant from any body corporate in the Group.

**Right** means a right to acquire a Share at the discretion of the Board, subject to satisfaction of Performance Criteria and compliance with the applicable exercise procedure, granted to a Participant under the Plan on the terms and conditions determined by the Board.

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

**Shareholder** means a registered holder of a Share.

**Total and Permanent Disablement** means, in relation to an Employee, that the Employee has, in the opinion of the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the Employee unlikely ever to engage in any occupation for which he or she is reasonably qualified by education, training or experience.

**Trust** means the Imdex Limited Equity Plan Trust.

**Trust Deed** means the trust deed that establishes the Trust, as amended from time to time.

**Trustee** means the trustee from time to time of the Trust.

**Vest** means a Participant becoming entitled to exercise his or her Rights, subject to any Exercise Restrictions and, upon exercise and payment of any applicable Exercise Price, to have the Shares underlying his or her Rights allocated to him or her subject to the terms of the Plan (and **Vested** or **Vesting** shall be construed accordingly).

**Withdrawal Notice** means a written notice given by (or deemed to be given by) a Participant to Imdex in accordance with clause 12.

## 1.2 Interpretation

In this Plan:

- (a) headings are for convenience only and do not affect interpretation;

and unless the context indicates a contrary intention:

- (b) an obligation or a liability assumed by, or a right conferred on, two or more persons binds or benefits them jointly and severally;
- (c) "**person**" includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (d) a reference to a party includes that party's executors, administrators, successors and permitted assigns, including persons taking by way of novation and, in the case of a trustee, includes a substituted or an additional trustee;
- (e) a reference to a document (including this Plan) is to that document as varied, novated, ratified or replaced from time to time;
- (f) 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;
- (g) a word importing the singular includes the plural (and vice versa), and a word indicating a gender includes every other gender;
- (h) a reference to a party, clause, schedule, exhibit, attachment or annexure is a reference to a party, clause, schedule, exhibit, attachment or annexure to or of this Plan, and a reference to this Plan includes all schedules, exhibits, attachments and annexures to it;
- (i) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (j) "**includes**" in any form is not a word of limitation; and
- (k) a reference to "\$" and "**dollar**" is to Australian currency.

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## 2. Rights Plan

Subject to any necessary approvals of Shareholders required by law or by the Listing Rules, the Board may grant Rights to any one or more of the Employees having regard to:

- (a) each Employee's length of service with the Group;
- (b) the potential contribution of the Employee to the Group; and
- (c) any other matters which the Board considers relevant.

Rights granted by the Board will be subject to the terms of this Plan.

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## 3. Administration of the Plan

### 3.1 Administration by the Board

The Plan will be administered by the Board and the Trustee in accordance with the terms of this Plan and the Trust Deed.



### **3.2 Board's power and discretion**

Any power or discretion which is conferred on the Board by this Plan must be exercised by the Board in the interests or for the benefit of Imdex. In exercising any such power or discretion, the Board is not under any fiduciary or other obligation to any other person.

### **3.3 Delegation by the Board**

Any power or discretion which is conferred on the Board by this Plan may be delegated by the Board to a committee consisting of such Directors, other officers, or employees of Imdex, or any combination of such persons, as the Board thinks fit.

### **3.4 Decisions are final**

The decision of the Board as to the interpretation, effect or application of this Plan, the exercise by the Board of any power or discretion under this Plan or the giving of any consent or approval by the Board in connection with this Plan will be final and conclusive.

### **3.5 Board may suspend or cancel the Plan**

The Board may from time to time suspend the operation of this Plan and may at any time cancel this Plan. The suspension or cancellation of this Plan will not prejudice the existing rights (if any) of Participants.

### **3.6 Documents**

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

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## **4. Rights of Participants**

Except as expressly provided in this Plan, nothing in this Plan:

- (a) confers on any Employee the right to receive any Rights or Shares;
- (b) confers on any Participant the right to continue as an Employee;
- (c) affects any rights which Imdex or a subsidiary may have to terminate the employment of any Employee;
- (d) may be used to increase damages in any action brought against Imdex or a subsidiary in respect of any such termination; or
- (e) confers on an Employee any expectation to become a Participant.

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## **5. Grant of Rights**

### **5.1 Offer**

An offer of Rights to an Employee must be in writing and must specify:

- (a) the date of the offer;

- (b) the number of Rights that are the subject of the offer, or the method or formula for determining the number or value of Rights that are the subject of the offer;
- (c) the Offer Closing Date;
- (d) the applicable Performance Criteria and Performance Period;
- (e) the time or times at which applicable Performance Criteria will be tested in respect of the Performance Period (at which time, Rights may Vest);
- (f) the Exercise Period during which Vested Rights may be exercised;
- (g) the manner of exercise of Vested Rights (including whether Rights may be automatically exercised at a specified time or event);
- (h) the Exercise Price (which may be zero) payable to exercise Vested Rights;
- (i) any applicable Exercise Restrictions and Restriction Period; and
- (j) such other terms and conditions relating to the offer of the Rights as the Board may determine in its absolute discretion.

## **5.2 Acceptance**

To accept an offer made under clause 5.1, the Employee must submit an acceptance form (in the form prescribed by Index) on or prior to the Offer Closing Date. The acceptance form must include:

- (a) a notification that the Employee accepts the offer and the terms and conditions of the offer;
- (b) confirmation that the Employee agrees to be bound by the terms of this Plan and the Trust Deed; and
- (c) the agreement of the Employee to the placing of a Holding Lock on any Shares provided on the exercise of the Rights, (where, in accordance with clause 10.3, the Board determines that a Holding Lock will be applied to the Shares during the Restriction Period).

## **5.3 When offer may not be accepted**

An Employee may not accept an offer made under clause 5.1, and no Rights will be granted to the Employee in respect of such an offer, if at the date of purporting to accept the offer:

- (a) he or she is no longer an Employee;
- (b) he or she has given his or her employer within the Group notice of his or her resignation as an Employee; or
- (c) he or she has been given notice of dismissal from employment or if, in the opinion of the Board, he or she has tendered his or her resignation to avoid such dismissal.

## **5.4 Grant of Rights**

If an Employee has accepted an offer in accordance with clause 5.2, Imdex will grant the Rights to the Employee on a date which is after the Offer Closing Date, provided they remain an Employee at the date of grant.

## **5.5 Nature of Rights**

Each Right is a right to be issued with or transferred (at Imdex's election) a single Share. A Participant does not have a legal or beneficial interest in any Share by virtue of acquiring or holding a Right. A Participant's rights under the Right are purely contractual and personal. In particular, a Participant is not entitled to participate in or receive any dividends or other Shareholder benefits until the Right has Vested and been exercised and a Share has been allocated or transferred to the Participant as a result of the Vesting and exercise of the Right.

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## **6. Restrictions on grant of Rights**

### **6.1 Overriding restrictions**

Notwithstanding the terms of this Plan or the terms of any particular Right as granted, no Right may be offered, granted, Vest or be exercised if to do so:

- (a) would contravene the Corporations Act or the Listing Rules;
- (b) would contravene the local laws or customs of the Employee's country of residence; or
- (c) in the opinion of the Board, would require actions which are onerous or impractical.

### **6.2 5% limit on issue of Shares**

In the case of an offer of Rights for issue, the number of Shares to be received on the exercise of a Vested Right when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under:

- (a) an employee incentive scheme covered by Class Order 14/1000 (as may be amended from time to time); or
- (b) an ASIC exempt arrangement of a similar kind to an employee incentive scheme,

must not exceed 5% of the total number of issued Shares in that class as at the time of the offer.

- (c) In calculating the number of Shares which may be the subject of an offer of Rights, any offer made or Right acquired or issued by way of or as a result of:
  - (i) an offer to a person situated outside Australia at the time of receipt of the offer; or
  - (ii) an offer that did not need disclosure to investors because of section 708 of the Corporations Act;

may (together with any securities that can be disregarded in accordance with ASIC Class Order 14/1000 (as may be amended from time to time)) be disregarded.

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## **7. Restrictions on transfer of Rights**

### **7.1 Board consent required**

Subject to clause 7.2, Rights may only be transferred in accordance with their terms of issue or otherwise with the prior written consent of the Board which will only be provided in exceptional circumstances.

### **7.2 Death or mental incapacity**

A legal personal representative of a Participant may be recognised by Imdex as a holder of the Participant's Right in circumstances where either the Participant has died or the Participant's estate is liable to be dealt with under the laws relating to mental health, on the production to Imdex of documents or other evidence which Imdex may reasonably require to establish the entitlement of the legal personal representative.

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## **8. Vesting and exercise of Rights**

### **8.1 Vesting**

- (a) Awards will only Vest once the Board, in its discretion, determines that any relevant Performance Criteria have been satisfied.
- (b) Subject to clause 8.1(c), following the end of the Performance Period, the Board will:
  - (i) test the applicable Performance Criteria (including any service conditions, if relevant) and determine the extent to which the Performance Criteria have been satisfied and Rights Vest and become exercisable, subject to any Exercise Restriction(s);
  - (ii) determine the time when the Rights Vest and become exercisable, subject to any Exercise Restriction(s); and
  - (iii) within a reasonable timeframe, notify Participants of the extent to which any applicable Performance Criteria have been satisfied and Awards Vest or will have Vested.
- (c) Notwithstanding clause 8.1(a) the Board may in its discretion, determine that a Right Vests prior to the end of a Performance Period which, unless the Board determines otherwise, will include situations where an Event occurs and the Board gives notice to the Participant that Rights may Vest and be exercised.

### **8.2 Lapse of Rights**

- (a) A Right will lapse on the first to occur of:
  - (i) failure to satisfy the Performance Criteria by the end of the Performance Period under clause 8.1;
  - (ii) the expiry of the Exercise Period;
  - (iii) the cessation of the Participant's employment in circumstances where the Right lapses under clause 13;

- (iv) the transfer or purported transfer of the Right without the Board's prior written consent (where such transfer is otherwise not permitted by the terms of the Right);
  - (v) a determination of the Board that the Participant has acted fraudulently, dishonestly or in breach of the Participants obligations to Imdex or any company in the Group and the Right is to be forfeited;
  - (vi) the 15<sup>th</sup> anniversary of the date of grant of the Right; and
  - (vii) the Participant notifying Imdex that the Participant wishes the Right to lapse and the Board agreeing to that request.
- (b) Upon the lapse of a Right under this clause 8.2, the Participant will have no further rights or entitlements in relation to that Right.

### **8.3 Method of exercise of Vested Rights**

A Vested Right may:

- (a) be exercised by a Participant lodging with Imdex:
  - (i) a notice of exercise of the Vested Right in the form (if any) prescribed by Imdex; and
  - (ii) payment of the applicable Exercise Price (if any); or
- (b) be automatically exercised at a specified time or event, in accordance with the terms of the offer specified in clause 5.1(g).

### **8.4 Minimum number for exercise**

Vested Rights must be exercised in multiples of 500. The exercise of some Vested Rights only does not affect the Participant's right to exercise other Vested Rights at a later time. Where automatic exercise applies, unless the Board determines otherwise, all Vested Rights will be automatically exercised in accordance with clause 8.3(b) at the time or upon the occurrence of the event specified in the offer for automatic exercise to occur.

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## **9. Shares provided on exercise**

### **9.1 Issue or transfer of Shares on exercise**

Subject to any adjustments under clause 14, each Right entitles the Participant to be allocated one Share upon Vesting and exercise in accordance with clauses 8.1 and 8.3. At its election, Imdex must either issue or procure the transfer of the relevant number of Shares to or on behalf of the Participant on the exercise of the Participant's Vested Rights and payment of the Exercise Price (if any).

### **9.2 Shares to be held by Trustee**

Any Shares provided to a Participant following the exercise of Vested Rights will be registered in the name of the Trustee and are to be held by the Trustee on behalf of the Participant on the terms of this Plan and the Trust Deed.

### **9.3 Shares rank equally**

Shares issued on the exercise of Vested Rights will rank equally with all other Shares from the date of issue and will be entitled to receive any dividends that have a Record Date for determining entitlements which is on or after the date of issue.

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## **10. Restrictions on dealing in Shares**

### **10.1 Shares held on trust during Restriction Period**

- (a) Shares provided to a Participant on the exercise of Vested Rights will be held on trust for that Participant by the Trustee for the duration of the Restriction Period in accordance terms of this Plan and the Trust Deed.
- (b) The Trustee must not assign, transfer, sell, encumber, create a Security Interest over or otherwise deal with the Shares or any legal or beneficial interest in the Shares during the Restriction Period except as provided for in this Plan, the Trust Deed or the terms of the relevant Rights.

### **10.2 Dealing in Shares during Restriction Period**

- (a) A Participant must not assign, transfer, sell, encumber, create a Security Interest over or otherwise deal with the Shares provided on the exercise of Vested Rights or any legal or beneficial interest in such Shares during the Restriction Period except as provided for in this Plan, the Trust Deed or the terms of the relevant Rights.
- (b) A Participant may deal with a Share provided on exercise of a Vested Right or any legal or beneficial interest in such a Share following the end of the Restriction Period.

### **10.3 Additional restriction mechanisms**

The Board may prescribe such other mechanisms as it considers necessary to give effect to the restrictions on dealing reflected in this clause 10, including the placing of a Holding Lock on Shares provided on the exercise of Vested Rights.

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## **11. Forfeiture of Shares**

### **11.1 Risk of forfeiture**

A Share provided to a Participant on the exercise of a Vested Right is provided on the condition that it will be forfeited upon the Participant perpetrating fraud as against Imdex or any other member of the Group, acting dishonestly or committing a breach of the Participant's obligations to Imdex or other member of the Group which would justify the Participant's termination as an Employee without notice.

### **11.2 When risk of forfeiture ceases**

The right of Imdex to cause a Share provided to a Participant to be forfeited under clause 11.1 ceases:

- (a) upon the Participant ceasing to be an Employee other than by reason of the Participant's fraud or dishonesty or a breach of the Participant's obligations to Imdex or another members of the Group;
- (b) upon the sale or transfer of the Share by the Participant to a third party; or

- (c) 10 years from the date of the grant of the Right in respect of which, following Vesting and exercise of the Right, the Share was issued or transferred to the Participant under clause 9.1.

### **11.3 Index to notify and record forfeiture**

When a Share is forfeited under clause 11.1, Imdex must:

- (a) notify the Participant that the Share is forfeited; and
- (b) record the forfeiture and date of forfeiture in the register of Shareholders.

A failure to do this does not invalidate the forfeiture.

### **11.4 Consequences of forfeiture**

The forfeiture of a Share extinguishes:

- (a) the Participant's interest in the Share; and
- (b) all claims against Imdex in respect of the Share, including (without limitation) all dividends presently payable by Imdex on the Share.

### **11.5 Disposal of forfeited Share**

Subject to the Corporations Act and the Listing Rules:

- (a) the Participant grants to Imdex an irrevocable power of attorney to sell, dispose, transfer or otherwise deal with a forfeited Share on any terms and in any way the Board may determine, with such power able to be exercised by Imdex in the event that the Share is liable to be forfeited; and
- (b) if Imdex sells, disposes, transfers or otherwise deals with a forfeited Share pursuant to clause 11.5(a), then the Participant acknowledges and agrees that:
  - (i) the Participant is not entitled to any proceeds in respect of such dealing;
  - (ii) the Board and Imdex are not under any obligation to act in the interests of the Participant or to account to the Participant in respect of such dealing; and
  - (iii) Imdex may retain all net proceeds (if any) of any such dealing.

### **11.6 Annulment of forfeiture**

Before any sale, disposal, transfer or other dealing with a forfeited Share under clause 11.5 is completed, the Board may annul the forfeiture.

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## **12. Withdrawal Notice**

### **12.1 Submission of a Withdrawal Notice**

Subject to clause 12.3, a Participant may submit a Withdrawal Notice to Imdex in respect of some or all of the Shares credited to the Account of the Participant under this Plan.

## **12.2 Content of a Withdrawal Notice**

A Withdrawal Notice given by a Participant under clause 12.1 must:

- (a) be signed by the Participant;
- (b) be in the form (if any) prescribed by the Index;
- (c) specify the number of Shares the subject of the notice;
- (d) contain a request that the Shares be withdrawn from the Trust and either sold on behalf of the Participant or transferred to the Participant (or his or her nominee); and
- (e) if necessary, request an end to the Restriction Period relating to the Shares.

## **12.3 Deemed submission of a Withdrawal Notice**

A Participant is deemed to have submitted a Withdrawal Notice in respect of those Shares credited to the Account of the Participant under the Plan, and requesting the transfer of those Shares to the Participant, where the Participant has not otherwise submitted a valid Withdrawal Notice to Index for a period of 90 days after the end of the Restriction Period relating to those Shares.

## **12.4 Timing of submission or consideration of a Withdrawal Notice**

The Board may:

- (a) prescribe the times at which a Participant may submit a Withdrawal Notice; and
- (b) adopt procedures for the consideration of a Withdrawal Notice which may, among other things, specify the times, intervals or periods at or during which the Board will consider whether or not to approve a Withdrawal Notice.

## **12.5 Approval or rejection of Withdrawal Notice**

- (a) Subject to this clause 12, the Board may approve or reject a Withdrawal Notice in its absolute discretion.
- (b) The Board must not unreasonably withhold its approval of a Withdrawal Notice that is validly submitted in accordance with this clause 12. For the avoidance of doubt, nothing in this clause 12.5(b) requires the Board to:
  - (i) deal with or approve a Withdrawal Notice at an earlier time than the time permitted for submission of a Withdrawal Notice or the next time specified under any procedure adopted by the Board under clause 12.4(b);
  - (ii) deal with or approve a Withdrawal Notice prior to the end of the Restriction Period relating to the Shares in question; or
  - (iii) approve a Withdrawal Notice where the Board is permitted by clause 12.6 to reject or decline to act on the Withdrawal Notice.

## **12.6 Repayment of moneys owed by a Participant**

If a Participant owes money to any company in the Group or the Trustee, the Board may reject or decline to act on a Withdrawal Notice that is submitted, or deemed to be submitted, by the



Participant until arrangements have been made for the payment of that money which are satisfactory to the Board.

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## **13. Cessation of Employment**

### **13.1 Cessation of employment**

Subject to clauses 13.3 and 13.4, where a Participant ceases to be an Employee other than because of a Qualifying Reason, any rights of the Employee relating to Rights which have not already Vested will automatically lapse.

### **13.2 Qualifying Reason**

Where a Participant ceases to be an Employee because of a Qualifying Reason, the number of Rights of that Employee that Vest or lapse (other than Rights which have already Vested) will be calculated on the following basis:

- (a) if less than six months of the Performance Period relating to those Rights has elapsed at the date of cessation as an Employee, all of the Rights will lapse; and
- (b) if six months or more of the Performance Period relating to those Rights has elapsed at the date of cessation as an Employee, the number of Rights the Employee will be entitled to have tested against the Performance Criteria at the end of the Performance Period (in accordance with clause 8.1) will be calculated on the following basis:

#### **Step 1**

Calculate the number of days from the beginning of the Performance Period up to and including the date of cessation as an Employee;

#### **Step 2**

Divide the result from Step 1 by the number of days in the Performance Period;

#### **Step 3**

Multiply the number of unvested Rights by the result from Step 2.

The number of unvested Rights that will not be subject to testing in accordance with the formula above will lapse immediately on cessation. Unless the Board determines otherwise any Rights that Vest under this clause will have an Exercise Period of 90 days, and any of these Vested Rights which are not exercised within the specified Exercise Period will immediately lapse.

### **13.3 Cessation after end of Performance Period**

Where an Employee ceases to be an Employee for any reason after the end of a Performance Period but before Vested Rights have been exercised, the Vested Rights must be exercised in accordance with the terms of the Plan within 90 days following cessation. Any Vested Rights that are not exercised within this period will lapse and the Participant will have no rights in respect of those Vested Rights that lapse.

### **13.4 Board may allocate Shares**

Notwithstanding clause 13.1, the Board may, in its absolute discretion, allocate Shares, or the cash equivalent, to Employees at the end of the Performance Period where, in the Board's view, there are special circumstances under which it would be unfair not to allocate Shares.

### **13.5 Contact details following cessation**

A Participant who ceases to be an Employee because of a Qualifying Reason who continues to hold Vested or unvested Rights under the Plan is under an obligation to keep the Company informed of his or her up-to-date email and / or postal address, for receipt of correspondence in relation to his or her Rights. Where a Participant fails to keep the Company informed of any update to his or her correspondence details, the Company will have no responsibility for any loss suffered by the Participant in respect of any of his or her Rights that lapse.

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## **14. Participation in future issues**

### **14.1 Participation generally**

A Right does not entitle a Participant to participate in new issues of securities to Shareholders, unless:

- (a) the Right has Vested and been exercised; and
- (b) a Share has been issued or transferred to the Participant in respect of that Vested Right,

before the Record Date for determining entitlements to securities under the new issue.

### **14.2 Notice**

Imdex must give notice of any new issue of securities to Participants who are entitled to exercise their Rights, not less than 10 Business Days before the Record Date for determining entitlements to securities under the new issue.

### **14.3 Bonus issues**

If Imdex makes a bonus issue of Shares or other securities pro rata to holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Shares have been allotted or transferred to the Participant in respect of a Right before the Record Date for determining entitlements to the bonus issue then the rights attaching to that Right will be altered as follows:

- (a) the number of Shares which the Participant is entitled to acquire on exercise of the Right ("S") is determined by the formula:

$$S = N + (N \times R)$$

where:

N = The number of Shares per Right which the Participant is entitled to acquire on the Record Date to determine entitlements to the bonus issue;

R = The number of Shares (including fractions) offered under the bonus issue for each Share held; and

- (b) the exercise price per Right will not be changed.

#### 14.4 Rights issues

If Imdex makes an offer of Shares pro rata to all or substantially all holders of Shares (whether or not an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) then neither the exercise price per Right nor the number of Shares which the Participant is entitled to acquire on exercise of the Vested Right will be changed.

#### 14.5 Reconstruction

- (a) In the event of any reconstruction of the issued ordinary capital of Imdex before the exercise of a Vested Right, the number of Shares attaching to each Vested Right will be reconstructed in the manner specified below.
- (b) If the manner is not specified then the Board will determine the reconstruction. In any event the reconstruction will not result in any additional benefits being conferred on Participants which are not conferred on Shareholders (subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting of Shareholders approving the reconstruction of capital) and in all other respects the terms for the exercise of Vested Rights will remain unchanged.
- (c) In the case of any reconstruction of the issued capital of Imdex, the Exercise Price of the Vested Right will not be changed.
- (d) In the event of any consolidation or sub-division of shares or reduction or cancellation of capital then the reconstruction will be determined by the following formulae:

- (i) Consolidation; and

- (ii) Subdivision:

$$S = C \times \frac{B}{A}$$

- (iii) Reduction of capital by return of share capital:

$$S = C$$

- (iv) Reduction of capital by cancellation of ordinary shares that is either lost or not represented by available assets:

$$S = C$$

- (v) Pro rata cancellation of fully paid ordinary shares (not within paragraphs (iii) or (iv)):

$$S = C \times B$$

where:

A = The total number of Shares in issue before the capital reconstruction;

B = The total number of Shares in issue after the capital reconstruction;

- C = The number of Shares which the Participant is entitled to acquire on exercise of a Vested Right before the reconstruction;
- S = The number of Shares which the Participant is entitled to acquire on exercise of a Vested Right after the reconstruction.

#### **14.6 Advice**

Index must give notice to each Participant of any adjustment to the number of Shares which the Participant is entitled to acquire on exercise of a Vested Right or the Exercise Price which must be paid to exercise the Vested Right (if any).

#### **14.7 Aggregation**

If Vested Rights are exercised simultaneously then the Participant may aggregate the number of Shares or fractions of Shares or other securities to which the Participant is entitled to acquire under those Vested Rights. Fractions in the aggregate number only will be disregarded in determining the total entitlement to subscribe.

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### **15. Quotation of Rights and Shares**

Rights will not be quoted on ASX. Provided that other Shares are listed at the time, Index will make application to ASX for official quotation of Shares issued on the Vesting and exercise of Rights as soon as practicable after the issue of those Shares.

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### **16. Amendment of these Rules**

#### **16.1 Power to amend**

Subject to clauses 16.2 and 16.3, Index may at any time by written instrument or by resolution of the Board, amend all or any of the provisions of this Plan (including this clause 16).

#### **16.2 Limitations of amendment power**

No amendment of the provisions of this Plan may reduce the rights of any Participant in respect of Rights granted under the Plan prior to the date of the amendment, other than an amendment introduced primarily:

- (a) for the purpose of complying with, or conforming to, present or future State, Territory or Commonwealth legal requirements governing or regulating the maintenance or operation of the Plan or like plans;
- (b) to correct any manifest error or mistake; or
- (c) to enable the Trustee or any body corporate in the Group to comply with the Corporations Act or the Listing Rules or relevant instruments of relief granted by the Australian Securities and Investments Commission from time to time.

#### **16.3 Listing Rules**

No amendment may be made except in accordance with, and in the manner stipulated (if any) by, the Listing Rules.

#### **16.4 Exercise Period**

No amendment may be made to extend the Exercise Period relating to a Vested Right.

#### **16.5 Retrospective effect**

Subject to the above provisions of this clause 16, any amendment made pursuant to clause 16.1 may be given such retrospective effect as is specified in the written instrument or resolution by which the amendment is made and, if so stated, the amendments to this Plan have the effect of automatically amending the terms of all granted but unexercised Rights.

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### **17. Notices**

Any notice regarding Rights granted under the Plan will be sent to the registered address of the Participant as recorded in the register of Participants maintained by Imdex for the purposes of this Plan.

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### **18. Governing law and jurisdiction**

This Plan is governed by and must be construed in accordance with the laws of Western Australia. All disputes arising in connection with or under this Plan must be submitted to the exclusive jurisdiction of the courts of Western Australia and the courts competent to determine appeals from those courts.