

SurfStitch Group Limited

Limited Recourse Loan Plan
Rules

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SurfStitch Group Limited
ACN 602 288 004
Limited Recourse Loan Plan

1 Offers of Shares under the Plan

1.1 Invitation

- (a) The Board may, from time to time, in its absolute discretion, invite Eligible Employees to apply to acquire Shares and for a Loan to finance the acquisition of those Shares (**Offer**).
- (b) Offers will be made on the terms set out in the Plan and/or any additional or alternative terms as the Board determines, as specified in the terms of an Offer.

1.2 Acceptance of Offer

- (a) Acceptance of an Offer must be made by the Eligible Employee in accordance with the instructions that accompany the Offer, or in any other way the Board determines.
- (b) The Board may, at its discretion, refuse to allow the participation of an Eligible Employee where that Eligible Employee ceases to be an Eligible Employee, or ceases to satisfy any other conditions imposed by the Board, prior to the Allocation Date.
- (c) Nothing limits the Board's ability to treat the conduct of an Eligible Employee in respect of an Offer (including the failure of an Eligible Employee to lodge an election not to participate within the time specified in the instructions accompanying the Offer) as valid acceptance of that Offer under these Rules.

1.3 Information to be provided

The Board will advise each Eligible Employee of the following minimum information in connection with an Offer:

- (a) the number of Shares and/or maximum amount of the Loan being offered;
- (b) the Acquisition Price per Share to be acquired pursuant to an Offer, or the formula for determining the Acquisition Price (if this differs from the formula set out in these Rules);
- (c) the terms of the Loan and whether interest will be payable on the Loan;
- (d) any applicable Vesting Conditions or other conditions that apply, including any Vesting Period;
- (e) the Forgiveness Amount (if any) relevant to the Loan;
- (f) the circumstances in which Shares may be forfeited; and
- (g) any other relevant terms and conditions in relation to the Loan or the Shares.

1.4 Offer terms and conditions take precedence

To the extent of any inconsistency, the terms and conditions advised to an Eligible Employee by the Board in an Offer will prevail over any other provision of these Rules.

2 Acquisition of Shares and terms of the Loan

2.1 Allocation of Shares

- (a) Where an Eligible Employee has accepted an Offer to acquire Shares, the Company or a Group company will advance, or procure the advance of, the Loan specified in the Offer and apply that Loan in acquiring, or procuring the acquisition of, the number of whole Shares (disregarding any fractional entitlements) determined by dividing the Loan by the Acquisition Price.
- (b) The Shares allocated to the Participant will be held subject to the Rules and any other relevant terms specified in the Offer.
- (c) The Board may exercise its discretion to charge interest on the Loan, and will notify the Participant in the Offer in accordance with rule 1.3(c) if it exercises this discretion in relation to a particular Offer.
- (d) The Board may determine that any Shares acquired under these Rules will be held by a Trustee on behalf of a Participant and the terms on which they will be held.
- (e) Unless the Board determines otherwise, Shares allocated to the Participant may not be registered in any name other than that of the Participant or the Trustee.

2.2 Additional loan

The Company or a Group company may, from time to time, loan, or procure a third party to loan, to a Participant such additional amount (to that advanced under rule 2.1(a)) as the Board determines necessary or desirable to facilitate the Participant's participation in an Offer.

2.3 Entitlements and benefits

- (a) Any Shares allocated under the Plan will rank equally in all respects with other ordinary shares in the Company for the time being on issue by the Company (for example, having rights with respect to voting, dividends and in the event of a winding up of the Company), except as regards to any rights attaching to such shares by reference to a record date prior to the date of their acquisition.
- (b) Unless otherwise specified in an Offer and subject to the terms of any Trust Deed (if applicable), the Participant (or the Trustee, on the Participant's behalf) will, from the Allocation Date, be entitled to vote, receive notices issued to shareholders by the Company and, subject to rule 2.4, receive dividends and other distributions. Where the Shares are held by the Trustee on the Participant's behalf, the Participant may direct the Trustee in writing how to exercise the voting rights, either generally or in a particular case.

- (c) Until the Loan is repaid and/or forgiven in full, the rights and entitlements attaching to the Shares must be exercised in accordance with the Rules and any other relevant terms specified in the Offer.

2.4 Repayment out of dividends and other distributions

- (a) Unless the Board determines otherwise or otherwise specified in the terms of an Offer, and until the Loan is repaid and/or forgiven in full, the Participant must apply any dividends and other distributions to which he or she may become entitled in respect of the Shares, and any other amounts determined by the Board, in repaying some or all of the outstanding Loan (as the case may be) in accordance with this rule 2.4, and for that purpose, instructs the Company (and the Trustee, if applicable) to apply the dividend, other distribution or other amount determined by the Board (less the estimate of the Participant's net tax liability as determined under rule 2.4(c)) towards repaying part of the outstanding Loan.
- (b) Where dividends, distributions or other amounts are applied in part repayment of the Loan under rule 2.4(a), the Participant is entitled to receive (or retain) that part of the dividend, distribution or amount that represents the estimate of the Participant's net tax liability (as determined under rule 2.4(c)) in relation to the dividend, distribution or other amount.
- (c) For the purposes of rule 2.4(b), a Participant's tax liability in relation to a dividend, distribution or other amount is as determined by the Board and notified to the Participant at the time an Offer is made.

2.5 Repayment of the Loan

- (a) Where Shares have not been forfeited under these Rules or the terms of an Offer, a Loan made under the Plan will be repayable:
 - (1) in accordance with the terms of the relevant Offer;
 - (2) in accordance with rules 4, 5, 6 or 8; or
 - (3) if the Offer is silent in relation to when the Loan becomes repayable, when the Loan is repaid in full under rule 2.4.
- (b) Except as provided by rules 2.4, 4(e), 5 and 8, the Participant may not repay any amount of the Loan prior to the end of the Vesting Period (if any), unless the Board determines otherwise.
- (c) Unless provided otherwise in the terms of an Offer, when a Share vests and an equivalent portion of the Loan has been repaid and/or forgiven in respect of the Share, the Trustee will continue to hold the relevant Share on trust on behalf of the Participant, subject to any additional Dealing restrictions imposed by the Board under these Rules. After any such Dealing restrictions cease to apply or are lifted, the Trustee will continue to hold the Share until the Participant directs the Trustee to:
 - (1) transfer the Share into the Participant's name;
 - (2) sell the Share and pay the proceeds of sale (net of any applicable brokerage, commission, stamp duty or other transaction costs) to the Participant; or
 - (3) the Company directs the Trustee to transfer the Shares into the Participant's name.

2.6 Default

- (a) Where the Participant has not discharged the Loan by the time specified under rule 2.5(a), then, unless the Board in its absolute discretion determines otherwise or specifies otherwise in the terms of an Offer, the Participant forfeits to the Company's nominee all interests in the number of Shares determined by dividing the outstanding Loan balance by the Acquisition Price (rounded up) and rule 3.3 applies to the forfeited Shares.
- (b) Where the Board exercises its discretion under rule 2.6(a) to determine, or the Offer specifies, that some or all of the relevant Shares will not be forfeited:
 - (1) the Participant irrevocably appoints the Company Secretary (or any other officer of the Company authorised by the Board for this purpose) as his or her attorney to sell or otherwise realise the value of the Shares and to apply the proceeds in the manner set out in rule 2.6(b)(2); and
 - (2) the Company's nominee will, as attorney for the Participant, sell or otherwise realise the Shares for market value within a reasonable period after the date specified for the purpose of rule 2.5(a) and apply those funds:
 - (A) first in satisfying any costs incurred by the Company in selling the Shares (including, without limitation, brokerage, commission, stamp duty and other transaction costs);
 - (B) next in repaying the Loan on behalf of the Participant; and
 - (C) in relation to any surplus funds, to the Participant.
- (c) For the avoidance of doubt:
 - (1) in the event of any shortfall in repaying the Loan as provided under rule 2.6(b)(2), the Company (and any Group company or third party who provided the Loan) will not have any further recourse against the Participant;
 - (2) the Company has complete discretion in respect of the sale of the Shares under the Rules and will not be liable to the Participant in respect of the timing of, or any other circumstances relating to, the sale of Shares under rule 2.6(b)(2);
 - (3) Shares forfeited under rule 2.6(a) will be considered to fully satisfy the Loan and the Participant will have no further obligation in relation to the Loan; and
 - (4) the Board may exercise its discretion under rule 2.6(a) to determine that some or all Shares are forfeited.

3 Vesting and forfeiture

3.1 Vesting Conditions

- (a) The Board may, in its discretion, include:
 - (1) a Vesting Period;

- (2) one or more Vesting Conditions; or
- (3) other relevant conditions,

as terms of the Offer which must be satisfied before the interest of the Participant in those Shares vests and, which if not satisfied, will result in the Shares being forfeited.

- (b) The Board may determine, at the end of the Vesting Period, the extent to which any relevant conditions (including Vesting Conditions) have been satisfied and the extent to which some or all of the Participant's Shares:
 - (1) vest; or
 - (2) do not vest and are forfeited.
- (c) The Participant's Shares vest and/or are forfeited on the date on which the Board provides notice to the Participant of its determination.
- (d) Where Shares are forfeited under this rule 3.1, rule 3.3 applies to the forfeited Shares.

3.2 Loan forgiveness

The Board may specify in the terms of an Offer that the satisfaction of one or more of the conditions specified in the terms of an Offer in accordance with rule 3.1(a) will result in some or all of any Forgiveness Amount (as determined by the Board, based on its assessment of the satisfaction of the conditions) being forgiven from the balance of the Loan.

3.3 Forfeiture

Unless the Board determines otherwise, where Shares are forfeited under these Rules or the terms of an Offer:

- (a) in circumstances where 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 consideration of \$0.01 and the Shares will be transferred into the name of the Company's nominee who will then hold full legal and beneficial title to those Shares;
- (b) in circumstances where the Shares are held by the Trustee on the Participant's behalf, the Participant's rights in the Shares will be extinguished for consideration of \$0.01 and the Shares will be held as general trust property in accordance with the terms of the Trust Deed. The Board may, at any time in the future, direct the Trustee to hold the Shares for the benefit of a different or new Participant;
- (c) if any amount of the Loan remains outstanding, the Participant will be entitled to the proceeds from any sale or transfer of the forfeited Shares up to (but not exceeding) the outstanding balance of the Loan, which will be automatically offset against the balance of the Loan;
- (d) if the Loan has been fully repaid and no amount is outstanding, the Participant will be entitled to the \$0.01 of the proceeds from any sale or transfer of the forfeited Shares;
- (e) the Participant irrevocably appoints the Company Secretary (or any other officer of the Company authorised by the Board for this purpose) as his or her attorney to do anything necessary to effect the forfeiture; and

- (f) Shares forfeited under this rule 3.3 will be considered to fully satisfy the Loan on the forfeited Shares, and the Participant will have no further obligation in relation to the Loan on the forfeited Shares.

4 Prohibited Dealings

- (a) Subject to the Securities Dealing Policy, any Dealing (or instruction by the Participant for the Trustee to Deal on the Participant's behalf) is prohibited in respect of a Share while the Loan in respect of that Share remains outstanding unless:
- (1) the Board determines otherwise; or
 - (2) the Dealing is required by law and the Participant has provided satisfactory evidence to the Company of that fact.
- (b) For the avoidance of doubt, when a Share vests and an equivalent portion of the Loan has been repaid and/or forgiven in respect of the Share, the Participant may Deal in relation to the relevant Share, subject to compliance with the Securities Dealing Policy and any additional restrictions imposed by the Board under rule 4(d).
- (c) Where, in the opinion of the Board, the Participant (or the Trustee at the Participant's direction) Deals with a Share in contravention of rule 4(a), the Share is forfeited and rule 3.3 applies to the forfeited Shares, unless the Board determines otherwise.
- (d) Subject to rule 4(e), the Board may, at its discretion, impose restrictions on Dealing in respect of any Shares allocated under the Plan (whether or not the Loan remains outstanding) and may implement any procedure it considers appropriate (including implementing a holding lock) to enforce such restrictions.
- (e) Following vesting of any Shares in accordance with rule 3.1, the Board may, at its discretion, specify in the terms of an Offer a restricted period during which the Participant may Deal in Shares while the Loan remains outstanding. During such restricted trading period, the Participant may sell or otherwise dispose of the vested Shares, provided that the net proceeds of sale or disposal are first applied in repaying the outstanding Loan.

5 Ceasing employment

- (a) The Board, in its discretion, may determine that some or all of the Participant's unvested Shares:
- (1) are forfeited;
 - (2) vest (immediately or subject to conditions); or
 - (3) are no longer subject to some of the restrictions and conditions (including any Vesting Condition) that previously applied,
- as a result of the Participant ceasing to be an employee of the Group prior to vesting.
- (b) If some or all of the Participant's Shares:

- (1) vest under rule 5(a)(2) or under the terms of an Offer; or
- (2) have vested prior to the Participant ceasing employment,
a pro rata amount of the Loan (by reference to the proportion of the unvested Shares that vest or have vested) will become repayable within a period notified to the Participant by the Board.
- (c) Where some or all of the Loan becomes repayable pursuant to rule 5(b), and the Board has specified a Forgiveness Amount in the terms of an Offer, unless the Board determines otherwise, some or all of the Forgiveness Amount (by reference to the portion of the Loan that becomes repayable under rule 5(b)) will immediately be forgiven from the Loan.
- (d) If some or all of the Participant's Shares are forfeited under rule 5(a)(1) or under the terms of an Offer, rule 3.3 applies to the forfeited Shares.
- (e) For the avoidance of doubt, where some or all of the Shares remain on foot and subject to the original terms of the Offer on cessation of the Participant's employment, rule 3.2 will continue to apply.
- (f) The Board may specify in the Offer to the Participant how the Participant's Shares will be treated on cessation of employment. The applicable treatment may vary depending on the circumstances in which the Participant's employment ceases. In specifying a cessation treatment to apply to an Offer, the Board may preserve some or all of its discretion under rule 5(a).

6 Preventing inappropriate benefits

- (a) Where, in the opinion of the Board:
 - (1) a Participant:
 - (A) has acted fraudulently or dishonestly;
 - (B) has engaged in gross misconduct;
 - (C) has done an act which has brought the Company, the Group or any Group company into disrepute;
 - (D) is in breach of his or her obligations to the Group; or
 - (E) is convicted of an offence or has a judgment entered against them in connection with the affairs of the Group; or
 - (2) there is a Financial Misstatement Circumstance; or
 - (3) a Participant's Shares vest or may vest as a result of the fraud, dishonesty or breach of obligations of any other person and, in the opinion of the Board, the Shares would not have otherwise vested; or
 - (4) the Company is required by or entitled under law or Company policy to reclaim remuneration from a Participant,
 the Board may determine that:
 - (5) any Shares (whether vested or unvested or before or after repayment or forgiveness of the Loan) will be deemed to be forfeited, in which case rule 3.3 applies to the forfeited Shares; and/or

- (6) a Participant must pay or repay (as the case may be) to the Company as a debt:
 - (A) all or part of the net proceeds of sale where Shares allocated under the Plan have been sold; and/or
 - (B) any dividends received in respect of Shares allocated under the Plan (other than dividends applied towards the satisfaction of the Loan under rule 2.4).
- (b) The Board may specify in an Offer additional circumstances in which a Participant's entitlement to Shares may be reduced or extinguished.

7 Bonus and rights issues

Subject to the terms of any Trust Deed (if applicable) or Offer, the following rules apply in respect of Shares.

7.1 Bonus issues

Unless the Board determines otherwise in a particular case, any shares issued to the Participant (or the Trustee, on the Participant's behalf) by the Company in relation to the Shares:

- (a) as bonus shares; or
- (b) as a result of a reorganisation of the issued capital of the Company (other than in circumstances where rule 10.1(b) applies),

during the period that the Loan remains outstanding, will become subject to the terms of the Offer and the Rules as if they were Shares originally allocated under the Plan.

7.2 Rights issues

- (a) While the Loan remains outstanding, the Board will determine in each case of a rights issue whether to offer, or procure a Group company or third party to offer, additional loan monies to assist a Participant who holds Shares to take up their rights and will determine the basis on which such loans are to be issued.
- (b) The Board may determine in its absolute discretion that no additional Loans be made but that a Participant can elect, or direct the Trustee on the Participant's behalf to elect, to take up rights at the Participant's own cost.

8 Change of control

8.1 Takeovers and other change of control events

- (a) Where there is a:
 - (1) Takeover Bid for Shares; or
 - (2) other transaction, event or state of affairs,

that, in the Board's opinion, is likely to result in a change in the Control of the Company or should otherwise be treated in accordance with this rule (**Change of Control Event**), the Board may, in its absolute discretion, determine that all or a specified number of a Participant's unvested Shares vest and that a pro rata amount of the Loan (by reference to the proportion of the unvested Shares that vest) will become repayable immediately or within such other period notified to the Participant by the Board. For the avoidance of doubt, a Change of Control Event does not include an internal reorganisation of the structure, business and/or assets of the Group.

- (b) Where some or all of the Loan becomes repayable under rule 8.1(a), and the Board has specified a Forgiveness Amount in the terms of an Offer, unless the Board determines otherwise, some or all of the Forgiveness Amount (by reference to the portion of the Loan that becomes repayable under rule 8.1(a)) will immediately be forgiven from the Loan.
- (c) Notwithstanding the default treatment set out in these Rules, the Board may specify in the Offer to the Participant an additional or different treatment that will apply to unvested Shares where a Change of Control Event occurs. In determining a different change of Control treatment to apply to an Offer, the Board may preserve some or all of its discretions under this rule 8.

8.2 Effect of Board determination

- (a) Where the Board makes a determination under rule 8.1(a), the Board will, as soon as reasonably practicable, give written notice to each Participant of the number of Shares that have vested and the Loan balance that is repayable, and if relevant, the amount of the Forgiveness Amount that will be forgiven.
- (b) If the Board determines that only some of a Participant's unvested Shares will vest, all Shares that remain unvested will be forfeited and rule 3.3 will apply to the forfeited Shares, unless the Board determines a different treatment.
- (c) For the avoidance of doubt, if the Board does not make a determination under rule 8.1(a) prior to the Change of Control Event, then all of a Participant's Shares remain on foot subject to the original terms of grant.

9 Withholding

- (a) If the Company, the Group or a member of the Group is obliged, or reasonably believes it may have an obligation, as a result of or in connection with any Shares allocated under this Plan, to account for:
 - (1) income tax or employment taxes under any wage, withholding or other arrangements; or
 - (2) any other tax, social security contributions or levy or charge of a similar nature,
 that is a liability of the Participant, then the relevant Group company is entitled to be reimbursed by the Participant for the amount or amounts so paid or payable.
- (b) Where rule 9(a) applies, the relevant Group company is not obliged to grant a Loan or grant or allocate any Shares under the Plan unless the Company is satisfied that arrangements for payment or reimbursement of the amounts

referred to in rule 9(a) have been made. Those arrangements may include, without limitation:

- (1) the provision by the Participant of sufficient funds to reimburse the Group company for the amount (by salary deduction, reduction of any amount owed by the Group to the Participant or otherwise);
- (2) the sale on behalf of the Participant of Shares allocated under these Rules for payment or reimbursement of these amounts, as well as the costs of any such sale; or
- (3) forfeiture of a sufficient number of Shares to satisfy the debt the Participant owes to the Group company. Unless the Group company and the Participant agree to use a different valuation, any Shares forfeited under this rule will be valued at the Current Market Price on the date of forfeiture. Rule 3.3 will apply to the forfeited Shares.

10 Amendment of Rules

10.1 Power to make amendments

- (a) Subject to rule 10.2, the Board may, at any time by resolution:
 - (1) amend or add to (**amend**) all or any of the provisions of these Rules;
 - (2) amend the terms or conditions of any Share granted under the Plan;
 - (3) suspend or terminate the operation of the Plan.
- (b) Notwithstanding rule 10.2, the Board may waive, amend or replace any Vesting Condition attaching to a Share if the Board determines that the original Vesting Condition is no longer appropriate or applicable (including, without limitation, where a Vesting Condition refers to a particular stock market index that is no longer published or there is a corporate action by the Company, including a discounted rights issue, which impacts on the Vesting Condition), provided that the interests of the relevant Participant are not, in the opinion of the Board, materially prejudiced or advantaged relative to the position reasonably anticipated at the time of the grant.

10.2 Restrictions on amendments

- (a) Without the consent of the Participant, the Board may not exercise its powers under rule 10.1(a) in a manner which reduces the rights of the Participant in respect of any Share already granted other than an amendment introduced primarily:
 - (1) for the purpose of complying with or conforming to present or future laws 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;
 - (2) to correct any manifest error or mistake; or
 - (3) to take into consideration possible adverse tax implications arising from, amongst others, adverse rulings, changes to tax legislation and/or changes in the interpretation of tax legislation by a court or tribunal of competent jurisdiction.

10.3 Notice of amendment

As soon as reasonably practicable after making any amendment under rule 10.1, the Board will give notice in writing of that amendment to any Participant affected by the amendment.

11 Participants based overseas

11.1 Overseas transfers

If a Participant is transferred to work in another country and, as a result of that transfer:

- (a) the Participant or any Group company would suffer a tax disadvantage in relation to their Shares (this being demonstrated to the satisfaction of the Board);
- (b) the Company would be restricted in its ability to vest Shares and/or the Company or a Group company would be restricted in its ability to allocate Shares or a Loan to the Participant under the Plan; or
- (c) the Participant would become subject to restrictions on their ability to Deal with the Loan or any Shares allocated to the Participant under the Plan because of the security laws 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 the Group, the Board may decide that some or all of the Participant's Shares will vest, with the balance (if any) continuing to be held on the original terms.

11.2 Non-Australian residents

The Board may adopt additional rules of the Plan that will apply to a grant made to an Eligible Employee who is a resident in a jurisdiction other than Australia, including by attaching a schedule to these Rules. The remaining provisions of these Rules will apply subject to whatever alterations or additions the Board may determine having regard to any securities, exchange control, taxation or other laws and/or regulations or any other matter that the Board considers directly or indirectly relevant. To the extent of any inconsistency, any additional rules adopted by the Board under this rule will prevail over any other provision of these Rules.

12 Miscellaneous

12.1 Rights and obligations of Participants

- (a) Unless the subject of an express provision in an employment contract, the rights and obligations of any Participant under the terms of their office, employment or contract with the Group are not affected by their participation in the Plan.
- (b) Participation in the Plan does not confer on any Participant any right to future employment and does not affect any rights which any member of the Group may have to terminate the employment of any Participant.

- (c) These Rules will not form part of and are not incorporated into any contract of any Participant (whether or not they are an employee of the Group).
- (d) The grant of the Loan or Shares on a particular basis in any year does not create any right or expectation of the grant of a Loan or Shares 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:
 - (1) 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);
 - (2) any exercise of a discretion or a decision taken in relation to a Loan or Shares acquired or in relation to the Plan, or any failure to exercise a discretion under these Rules;
 - (3) the operation, suspension, termination or amendment of the Plan; or
 - (4) forfeiture of any Shares.
- (f) The Participant irrevocably appoints each company secretary of the Company (or any other officer of the Company authorised by the Board for this purpose) as his or her attorney to do anything necessary to:
 - (1) allocate Shares to the Participant in accordance with these Rules;
 - (2) effect a forfeiture of Shares in accordance with these Rules; and
 - (3) execute transfers of Shares in accordance with these Rules.

12.2 Power of the Board to administer the Plan

- (a) The Plan is administered by the Board which has power to:
 - (1) determine appropriate procedures for administration of the Plan consistent with these Rules including to implement an employee share trust for the purposes of delivering and holding Shares on behalf of Participants upon the grant of a Loan; and
 - (2) 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.
- (b) 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.

12.3 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 Vesting Condition or Loan repayment) in relation to any Loan or Shares granted to a Participant.

12.4 Application of Corporations Act and Listing Rules

Notwithstanding any rule, a Loan or Shares will not be issued, acquired, transferred or otherwise dealt with (as applicable) under the Plan if to do so would:

- (a) contravene the Corporations Act, the Listing Rules, or any other applicable laws (including any applicable foreign law); or
- (b) require the Company to pay, provide, or procure the payment or provision of, any money or benefits to the Participant which would require shareholder approval under Part 2D.2, Division 2 of the Corporations Act.

12.5 Dispute or disagreement

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

12.6 Approved leave of absence

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 may be treated as not having ceased to be an employee for the purposes of rule 5 of the Rules. Whether a Participant who is granted leave without pay is deemed to have ceased employment will be determined with reference to the Group's policies and any applicable laws.

12.7 Communication

- (a) Any notice or other communication provided under or in connection with the Plan may be given by personal delivery or by sending the same by post, email or facsimile to:
 - (1) in the case of a company, to its registered office;
 - (2) in the case of an individual, to the individual's last notified address; or
 - (3) where a Participant is a director or employee of the Group, either to the Participant's last known address, email address or to the address of the place of business at which the Participant performs the whole or substantially the whole of the duties of the Participant's office or employment.
- (b) Where a notice or other communication is given by post, it is deemed to have been received 48 hours (or, where given by post to an address outside of Australia, five days) after it was put into the post properly addressed and stamped. Where a notice or other communication is given by facsimile or email, it is deemed to have been received on completion of transmission.

12.8 Data protection

Subject to any applicable laws, by participating in the Plan, the Participant consents to the holding and processing of personal data provided by the Participant to the Company, the administrator of the Plan or the Trustee, for all purposes relating to the operation of the Plan. These include, but are not limited to:

- (a) administering and maintaining Participant records;
- (b) providing information to the Trustee, registrars, brokers, printers or third party administrators of the Plan;

- (c) providing information to any regulatory authority (including the Australian Tax Office) where required under law; and
- (d) providing information to future purchasers of the Company or the business in which the Participant works.

12.9 Tax

Unless otherwise required by law, no company in the Group is responsible for any Tax which may become payable by a Participant as a consequence of or in connection with the grant of a Loan, acquisition of Shares under the Plan or any Dealing with any Shares.

12.10 Governing Law

The Plan, and any Loan or Shares acquired under it, are governed by the laws of New South Wales and the Commonwealth of Australia.

13 Definitions and Interpretation

13.1 Definitions

Term	Meaning
acquire	in relation to a Share, to: <ul style="list-style-type: none"> (a) acquire; (b) be allocated; (c) be granted; or (d) acquire a beneficial interest in, a Share, and acquisition has a corresponding meaning
Acquisition Price	unless the Board determines another price (which may include a discount from market price), the weighted average trading prices of ordinary shares in the Company on the ASX during the five trading days up to and including the Allocation Date
Allocation Date	the later of the day on which a Loan is advanced to a Participant to fund the acquisition of Shares under the Plan and the day that those Shares are allocated to the Participant
ASX	ASX Limited ACN 008 624 691 or the Australian Securities

	Exchange, as the context requires
Board	the board of directors of the Company, any committee of the Board or a duly authorised person or body to which the Board has delegated its powers under this Plan
Business Day	means any day which is not a Saturday, Sunday or public holiday in New South Wales
Change of Control Event	has the meaning given to it in rule 8 of these Rules
Company	means SurfStitch Group Limited (ACN 602 288 004)
Control	has the meaning given in section 50AA of the Corporations Act
Corporations Act	the <i>Corporations Act 2001</i> (Cth)
Current Market Price	in relation to a Share, the arithmetic average of the daily volume weighted average market price (rounded to the nearest cent) of all Shares sold on the ASX during the previous five trading days, or any other calculation as determined by the Board
Deal or Dealing	in relation to a Share, any dealing, including but not limited to: <ul style="list-style-type: none"> (a) a sale, transfer, assignment, encumbrance, mortgage, option, swap, or any other alienation of, or creation of security over, all or any part of the rights attaching to the Share; (b) any attempt to do any of the actions set out in paragraph (a) above; and (c) any hedging (including any dealing with a derivative instrument intended to “lock in” a profit relating to a Share, and any other transactions in financial products that operate to limit the economic risk associated with holding a Share)
Eligible Employee	an employee of the Group (including a director employed in an executive capacity) or any other person determined by the Board as eligible to participate in the Plan

Financial Misstatement Circumstance	a material misstatement or omission in the financial statements of a Group company or any other circumstances or events which, in the opinion of the Board, may, or are likely to, affect the Group's financial soundness or require re-statement of the Group's financial accounts, including, without limitation, as a result of misrepresentations, errors, omissions, or negligence
forfeit	forfeit and surrender a Share, and forfeiture has a corresponding meaning
Forgiveness Amount	the amount of the Loan determined by the Board and notified to the Participant pursuant to rule 1.3(e), expressed as: <ul style="list-style-type: none"> (a) a dollar figure; or (b) a percentage of either the initial Loan or the Loan as outstanding at a particular time, that may, upon satisfaction of conditions specified in the terms of an Offer in accordance with rule 3.1(a), be forgiven
Group	the Company and each Related Body Corporate of the Company
Group company	any member of the Group
Loan	in relation to each Offer made under these Rules, the lower of: <ul style="list-style-type: none"> (a) the amount of money advanced by the Company or a Group company, or that the Company or a Group company procures a third party to advance, to the Participant, in relation to that Offer, on the terms of the Plan, less any amount: <ul style="list-style-type: none"> (1) repaid in accordance with rules 2.4 and 4(e); (2) forgiven by the Company under rule 3.2; or (3) satisfied by the forfeiture of Shares under these Rules; and (b) the aggregate market value of the Shares acquired with the Loan that are held by the Participant
Offer	an invitation to an Eligible Employee made by the Board under rule 1.1 to apply to acquire Shares and for a Loan to finance the acquisition of those Shares

Participant	an Eligible Employee whose has accepted an Offer by the Board under rule 1.2 and is allocated Shares under the Plan
Plan	the SurfStitch Group Limited Limited Recourse Loan Plan set out in these Rules
Rules	the terms and conditions of this Plan, as set out in this document and amended from time to time
Related Body Corporate	has the meaning given in section 50 of the Corporations Act
Securities Dealing Policy	the Group's Policy on Dealing in Securities (as amended or replaced from time to time) or such other Group policy in relation to trading or Dealing in Shares as applicable from time to time;
Shares	the fully paid ordinary shares in the capital of the Company allocated to a Participant using the Loan advanced under an Offer under the Plan
Takeover Bid	has the meaning given in section 9 of the Corporations Act
Tax	includes any tax, levy, impost, goods and services tax, deduction, charge, rate, contribution, duty or withholding which is assessed (or deemed to be assessed), levied, imposed or made by any government or any governmental, semi-governmental or judicial entity or authority together with any interest, penalty, fine, charge, fee or other amount assessed (or deemed to be assessed), levied, imposed or made on or in respect of any or all of the foregoing;
Trust Deed	in relation to an Offer, any trust deed nominated by the Company as the Trust Deed for the purposes of the Offer, as amended from time to time;
Trustee	the trustee under the Trust Deed;
Vesting Condition	the performance, service or other conditions that must be satisfied, or circumstances which must exist, before a Share vests under these Rules.

Vesting Period	the prescribed period for satisfaction of a Vesting Condition, advised to a Participant by the Board under rule 1.3.
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13.2 Interpretation

In this Plan, the following rules apply unless a contrary intention appears:

- (a) headings are for convenience only and do not affect the interpretation of the Plan unless the context requires otherwise;
- (b) any reference in the Plan to any statute or statutory instrument includes a reference to that statute or statutory instrument as from time to time amended, consolidated, re-enacted or replaced;
- (c) a reference to any agreement or document includes a reference to that agreement or document as amended, novated, supplemented or amended from time to time;
- (d) any words denoting the singular include the plural and words denoting the plural include the singular;
- (e) 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;
- (f) the word “includes” in any form is not a word of limitation; and
- (g) any determination, decision or exercise of power by the Board, will be at its absolute discretion.