



## CEO Option and Performance Rights Terms

The options (**Options**) to acquire fully paid ordinary shares (**Shares**) in Vitaco Holdings Limited (**Vitaco**) and the performance rights (**Rights**) to acquire Shares in Vitaco which Vitaco has granted to its Chief Executive Officer (**CEO**), Ryan d'Almeida, will be issued under Vitaco's Long Term Incentive Plan (**LTIP**) and have the following key terms.

<b>Expected Date of Grant</b>	On or about 16 September 2015
<b>Consideration for Grant</b>	<p>No issue price will be payable by the CEO to acquire any Options or Rights. The Options and Rights will be issued for consideration comprising the services that are expected to be provided by the CEO, to, or for the benefit of, the Vitaco group.</p> <p>If the CEO becomes entitled, and chooses, to exercise any Options (in accordance with the rules of the LTIP), the CEO will be required to pay the aggregate Exercise Price (defined below) in respect of those Options.</p>
<b>Performance Period</b>	The vesting of Options and Rights (and the allocation of Shares pursuant to the exercise of any Options or the vesting of any Rights) is subject to certain LTI Vesting Conditions (described below) being satisfied by reference to the period starting on 16 September 2015 and ending on and including 15 September 2020 ( <b>Performance Period</b> ).
<b>Exercise Price for the Options</b>	<p>If the CEO becomes entitled to exercise any Options granted to him and elects to exercise any of them, he will be required to pay an exercise price of A\$2.10 in respect of each Option exercised (<b>Exercise Price</b>). The Exercise Price constitutes the issue price payable by the CEO for the Share the subject of an exercised Option.</p> <p>For the avoidance of doubt, there is no exercise price payable in respect of the Rights.</p>
<b>Vesting Conditions</b>	<p>The Options and Rights granted will vest subject to an earnings per share (<b>EPS</b>) performance hurdle over the Performance Period.</p> <p>The EPS vesting percentages will correspond to Vitaco's annual compounding EPS growth over the Performance Period and are as follows (<b>EPS Targets</b>):</p>

Vitaco's compound annual growth in EPS	% of Options and Rights satisfying the EPS performance condition
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EPS growth less than or equal to 5%	0%
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Above 5% EPS growth but less than 15% EPS growth	20%, determined on a pro rata straight line basis
At or above 15% EPS Growth	100%

No Options or Rights will vest during the first two years of the Performance Period. During the third, fourth and fifth year of the Performance Period, the Options and Rights will vest as follows:

- 1/3 of the Options and Rights will vest (in the manner set out above) if Vitaco has achieved the EPS Targets at any time during the first three years of the Performance Period;
- 1/3 of the Options and Rights will vest (in the manner set out above) in the event that the EPS Targets are achieved during the fourth year of the Performance Period; and
- 1/3 of the Options and Rights will vest (in the manner set out above) in the event that the EPS Targets are achieved during the fifth year of the Performance Period.

Vitaco's compound annual growth in EPS will be calculated in the manner determined by the Vitaco Board. In broad terms, EPS for each relevant financial year will be calculated as net profit attributable to shareholders for that financial year, adjusted to exclude the costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus elements. For relevant financial years, the calculation may be adjusted to take into account one-off items associated with Vitaco's initial public offering, if considered appropriate by the Vitaco Board. The Vitaco Board also reserves the right to make any other adjustments it thinks fit to the calculation of EPS having regard to the impact of any other exceptional items.

#### **Share price condition**

No Options granted under this Offer will vest unless, on the date that the Vitaco Board determines whether (and, if so, the extent to which) the LTI Vesting Conditions detailed above have been satisfied, the VWAP of Shares traded on ASX calculated over the last 5 trading days on which sales in Shares were recorded is 101% or more of the Exercise Price, or such other percentage as determined by the Vitaco Board at that time.

#### **Vesting Notice**

After the release to ASX of Vitaco's financial results for the financial years ending 30 June 2018, 30 June 2019 and 30 June 2020, Vitaco will notify the CEO whether and, if so, how many of any Options and Rights held at that time have satisfied the LTI Vesting Conditions and been determined by the Vitaco Board to be Vested

## Options and Vested Rights.

### Exercise Period for Options

Subject to the rules of the LTIP, the CEO may exercise any Vested Options that are held by him (and have not lapsed) during the period:

- commencing on the date Vitaco issues a Vesting Notice for those Options (or any later date specified in the Vesting Notice); and
- ending on 16 September 2021 (**Last Exercise Date**).

### Lapse of Options and Rights on cessation of employment in certain circumstances

If the CEO ceases to be employed within the Vitaco group due to Termination for Cause (as defined in the LTIP), any and all Unvested Options and Unvested Rights held by the CEO at the time will lapse on the date of cessation of the CEO's employment under Rule 10.2(a)(i) of the LTIP. If the CEO gives notice of resignation from his employment with any company in the Vitaco group in circumstances where, in the Vitaco Board's opinion, the relevant Vitaco group company was entitled to terminate the CEO's employment without notice or payment in lieu of notice or for actual or alleged misconduct, any and all Unvested Options and Unvested Rights held by the CEO at that time will lapse on the date of cessation of the CEO's employment.

If the CEO ceases to be employed within the Vitaco group for any reason that does not result in the lapse of all of his Unvested Options and Unvested Rights, Rule 10.2(b) of the LTIP will apply and a pro rata portion of any Unvested Options and Unvested Rights held by the CEO at that time will lapse on the date of cessation of his employment, unless the Vitaco Board determines otherwise. The portion of the CEO's Unvested Options and Unvested Rights that will lapse will, in accordance with Rule 10.2(c)(i) of the LTIP, be calculated based on the proportion of the Performance Period for which the CEO will not be employed within the Vitaco group.

Any Unvested Options and Unvested Rights that do not lapse as a result of the CEO ceasing to be employed within the Vitaco group will continue to be held by the CEO subject to the rules of the LTIP and these terms and conditions.

### Lapse of Options and Rights in other circumstances

If the Vitaco Board determines that the LTI Vesting Conditions have not been, or are not capable of being, met in respect of any Options and Rights granted to the CEO, the Options and Rights will lapse.

In addition, some or all of any Options and Rights held by the CEO (including Vested Options and Vested Rights) may lapse in various other circumstances under Rule 10.3 of the LTIP.

### Lapse of unexercised Vested Options on Last Exercise Date

Any Options granted to the CEO that have not been exercised or otherwise lapsed by 5.00pm (Sydney time)

	on the Last Exercise Date will lapse at that time.
<b>No dealings in Options or Rights</b>	The CEO is not permitted to transfer, grant any security interest over or otherwise deal in the Options and Rights issued under the LTIP, except in very limited circumstances. Further, the CEO cannot enter into any transaction, scheme or other arrangement that hedges or otherwise limits or affects his economic exposure to the Options and Rights before they become Vested Options or Vested Rights (as the case may be). While the CEO remains a member of the key management personnel of Vitaco, it would be a criminal offence under the Corporations Act for him to enter into any such arrangement.
<b>Treatment of Options and Rights on a Corporate Control Event</b>	Vitaco has determined that, subject to applicable law, if a Corporate Control Event (as defined in the LTIP) occurs that involves, or has resulted in, a person acquiring voting power of more than 50% in Vitaco, any and all of the Unvested Options and Unvested Rights issued to the CEO will be taken to have become Vested Options and Vested Rights (as the case may be) (and the outstanding LTI Vesting Conditions will be waived) from the date on which the person's voting power in Vitaco increases from below to above 50% (as disclosed in the relevant substantial holding notice given to ASX).
<b>Bonus issues, pro rata issues and capital reorganisations and winding up</b>	Rule 13 of the LTIP contains special rules for dealing with the effect of bonus issues, pro rata issues, capital reorganisations and winding up on any Options and Rights granted to the CEO.