

SHAPE Australia Corporation Limited
ACN 654 729 352

Employee Share Acquisition Plan (ESAP)

Plan Rules

Purpose

These are the rules of the Company's Employee Share Acquisition Plan. The purpose of the Plan is to provide Employees with an opportunity to own Shares. By doing so, the Plan seeks to provide Employees with an opportunity to share in the growth in value of the Company and to encourage them to improve the longer-term performance of the Company and its returns to shareholders. The Plan is also intended to assist the Company to attract and retain skilled and experienced employees and provide them with an incentive to have a greater involvement with and focus on the longer term goals of the Company. This Plan commences on the date the Board determines.

1. Definitions and Interpretation

1.1 Definitions

In these Rules, unless the context otherwise requires:

Acceptance Form means a form by which an Employee indicates its acceptance of the Invitation and agrees to be bound the Rules and the Constitution

Acceptance Period has the meaning given to that term in Rule 3.1(a) below;

Acquisition Date means:

- (a) in relation to Shares acquired by a Participant under the Plan, the date on which such Shares are registered in the name of the Participant; or
- (b) in relation to Shares acquired by a Participant in consideration for the transfer to the Company of ordinary shares in SHAPE Australia Holdings Pty Ltd ACN 008 656 264 in respect of which the Participant held a beneficial interest (**SHAPE Australia Holdings Shares**), the date on which the Participant acquired a beneficial interest in such SHAPE Australia Holdings Shares;

Amendment has the meaning given to that term in Rule 13.1;

Applicable Law means any one or more or all, as the context requires, of the following to the extent that they apply to the Company or this Plan from time to time:

- (a) the Corporations Act;
- (b) tax laws;
- (c) (if and for so long as the Company is listed on the ASX) the ASX Listing Rules;
- (d) the Constitution;
- (e) any subordinate legislation, orders, rulings or other binding instruments passed or made by parliament, Australian Securities and Investments Commission, the Australian Taxation Office or ASX to clarify or expand paragraphs (a), (b) and/or (c) of this definition;
- (f) any laws of foreign jurisdictions where Participants are resident;

(g) any other laws;

ASX means ASX Limited ACN 008 624 691 or the stock exchange which it operates, as the context requires;

ASX Listing Rules means the official listing rules of the ASX as they apply to the Company from time to time;

Available Amount means in relation to a Participant for any Measurement Period, an amount determined in accordance with the following formula rounded to the nearest whole dollar amount:

$$AA = \frac{E \times AP}{TE}$$

where:

AA is the Available Amount for that Participant;

E is the Entitlement of that Participant for that Measurement Period;

AP is the Available Pool for that Measurement Period;

TE is the Total Entitlement for all Participants for that Measurement Period.

Example 1: Participant A works full time for the duration of the entire financial year ending 30 June 2022. The Available Amount for Participant A will be \$5,555.56 on the basis that:

E = 1.00;

AP = AUD\$2,500,000.00 (assumed);

TE = 450.00 (assumed).

Example 2: Participant B works 3 days per week for the last 9 months of the financial year ending 30 June 2022. The Available Amount for Participant A will be \$2,500.00 on the basis that:

E = 0.45;

AP = AUD\$2,500,000.00 (assumed);

TE = 450.00 (assumed);

Available Pool means, for a Measurement Period, an amount equal to PBT for that Measurement Period multiplied by the Factor;

Board means the board of directors of the Company or a committee appointed by the board of directors of the Company for the purposes of the Plan;

Class Order means a legislative instrument (previously referred to as a class order) made by ASIC providing conditional relief from disclosure and licensing provisions of the Corporations Act for certain offers involving securities made to employees under an employee share scheme.

Company means SHAPE Australia Corporation Limited ACN 654 729 352;

Constitution means the constitution of the Company, as amended from time to time

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

Delegate means a person appointed by the Board to exercise its powers and discretions under the Rules, initially being the Company's Chief Executive Officer;

Determination Date means 1 September of any year during the Term, or any other date determined by the Board;

Employee means any permanent full time or permanent part time employee of a Group Company, other than a non-executive director of a Group Company;

Employee Incentive Scheme means any employee equity scheme extended to senior managers, other employees and/or directors of or a contractor to the Company and its Related Bodies Corporate or any other person nominated by the Company, and includes the Plan;

Entitlement means, in relation to a Participant for a Measurement Period, an amount determined in accordance with the following formula subject to being rounded to the nearest two decimal places:

$$E = \frac{\left(\frac{WE}{5}\right)}{\left(\frac{NWE}{52}\right)}$$

where:

E is the Entitlement of that Participant for the Measurement Period;

WE is the Weekly Entitlement of that Participant for the Measurement Period;

NWE is the Number of Weeks Employed for that Participant for the Measurement Period;

Factor means 5.00% or such other percentage rate determined by the Company from time to time;

Group means the Company, each Subsidiary of the Company and each of the Company's Related Bodies Corporate and **Group Company** means any of them;

Holding Lock means a mechanism to prevent a Participant transferring or otherwise dealing with the Shares as defined in Chapter 19 of the ASX Listing Rules;

Holding Lock Period means, in relation to Shares acquired by a Participant under the Plan, the period from the Acquisition Date until the earlier of:

- (a) three years after the Acquisition Date of the Shares; or
- (b) such other later date as determined by the Board in its sole and absolute discretion;

Invitation means a letter from the Company (in such form as the Board may determine from time to time) to an Employee inviting that person to participate in the Plan;

Market Price means:

- (a) if Shares are purchased on market, the price paid for those shares; and
- (b) if Shares are allotted and issued, the Volume Weighted Average Price of Shares;

Measurement Period means each 12-month period during the Term commencing on 1 July 2021 and ending on 30 June;

Number of Weeks Employed means the total number of weeks for which a Participant is employed during the Measurement Period (including any week in which the Participant takes annual leave or sick leave to which they are entitled);

Participant means:

- (a) an Employee who:
 - (i) was employed by a Group Company at the end of the relevant Measurement Period; and
 - (ii) remained an employee of a Group Company from the end of the Measurement Period up to and including the relevant Determination Date; and
 - (iii) has completed and returned the Acceptance Form within the Acceptance Period; or
- (b) the legal personal representative of any person referred to in (a) duly appointed on the death or legal incapacity of that person;

PBT means for a Measurement Period, the profit before tax for the Group for that Measurement Period;

Plan means the Company's Employee Share Acquisition Plan as amended from time to time and operated in accordance with these Rules;

Related Body Corporate has the meaning given to that term in the Corporations Act;

Rights means any rights to acquire from a Group Company shares, options or other securities granted or issued or to be issued by that Group Company;

Rules means these Rules, as amended from time to time;

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

Share Entitlement means the Share Entitlement Cap multiplied by the Entitlement;

Share Entitlement Cap means the amount specified under paragraph 83A-35(2)(a) of the *Income Tax Assessment Act 1997* (Cth) from time to time which, as at the date this Plan commences, is AUD\$1,000;

Subsidiary has the meaning given to that term in the Corporations Act;

Term means the date this Plan commences as determined by the Board until the date this Plan is terminated or suspended in accordance with Rule 6.5(a);

Total Entitlement means the total Entitlements of all Participants for a Measurement Period;

Volume Weighted Average Price means the volume weighted average price of Shares as traded on the ASX over the 10 trading days up to but excluding the Acquisition Date and is calculated by dividing the total value of Shares traded by the total number of Shares traded for every transaction during the 10 day trading period to calculate an average price for the Shares; and

Weekly Entitlement means:

- (a) where the Participant is employed to work 5 days a week, 5;
- (b) where the Participant is employed to work 4 days a week, 4;
- (c) where the Participant is employed to work 3 days a week, 3;
- (d) where the Participant is employed to work 2 days a week, 2; and
- (e) where the Participant is employed to work 1 day a week, 1,

provided that:

- (f) where the Participant is employed to work for less than a full day, it will count as a full day; and
- (g) any overtime work by any Participant will be disregarded in determining the entitlement of a Participant for the purposes of this definition.

1.2 Interpretation

In these Rules, unless the context otherwise requires:

- (a) a gender includes all genders;
- (b) the singular includes the plural and conversely;
- (c) a reference to a person includes the legal personal representatives, successors and assigns of that person and also corporations and other entities recognised by law;
- (d) a reference to any Applicable Law includes that Applicable Law as amended, re-enacted or replaced and any law that supersedes that law; and
- (e) headings are for convenience only and do not affect the interpretation of these Rules.

2. Operation of the Plan

2.1 General

The Plan must be operated in accordance with these Rules.

2.2 Binding Rules

These Rules bind the Group and each Participant.

2.3 Assessable income reduction

The intended operation of the Plan is to satisfy the provisions of section 83A-35 of the *Income Tax Assessment Act 1997* (Cth) so as to provide a Participant who is eligible under those provisions with an assessable income reduction of up to the Share Entitlement Cap in relation to Shares issued under the Plan.

3. Invitation to Participate

3.1 Invitation

Subject to these Rules, the Board or its Delegate may in its absolute discretion from time to time invite any Employee to participate in the Plan by providing it with an Invitation which sets out, among other things:

- (a) the time within which the Employee must accept the Invitation by signing and returning the Acceptance Form (**Acceptance Period**);
- (b) a summary of, or a copy of, these Rules;
- (c) any other terms and conditions relating to the invitation or the Shares, which in the opinion of the Board, are fair and reasonable and not inconsistent with these Rules; and
- (d) any other information or documents that the Applicable Law require the Company to give to the Employee, including any information or documents required to be given to the Employee if the Company is relying on a Class Order to offer Shares to the Employee.

3.2 Participant bound by Rules and Constitution

By completing and returning the Acceptance Form within the Acceptance Period, a Participant becomes entitled to receive Shares under the Plan on the terms of these Rules and agrees to be bound by the Rules, the Constitution, the Company's securities trading policy and all Applicable Law.

4. Acquisition of Shares

4.1 Determining the Available Amount, Share Entitlement & Cash Bonus

- (a) On each Determination Date, the Board will determine the Available Amount for each Participant and:
 - (i) subject to Rule 4.4 below, deliver Shares to each Participant to the value of each Participant's Share Entitlement in accordance with the balance of this Rule 4; and
 - (ii) if the Available Amount is greater than the Share Entitlement, ensure that a cash bonus is paid by the applicable Group Company to each Participant equal to the difference.

- (b) As soon as practicable after each Determination Date, the Board (or its Delegate), will notify each Participant in writing of the number of Shares and the cash bonus (if any) which it is entitled to receive in respect of the immediately preceding Measurement Period in accordance with Rule 4.1(a) above.
- (c) Subject to Rule 4.4 below, the Company may issue additional Shares to a Participant to the value of any amount which the Board (in its absolute discretion) considers appropriate to pay, including without limitation, any amount in recognition of past service by a Participant to any Group Company.

4.2 Methods

Shares may be delivered to a Participant under the Plan in any one or more of the following ways as determined by the Board in its sole and absolute discretion:

- (a) by way of allotment and issue of Shares; and
- (b) by acquiring Shares on-market.

4.3 No payment for Shares

Unless otherwise determined by the Board, no payment is required for the delivery of Shares under the Plan.

4.4 Maximum number of Shares

- (a) The maximum number of Shares that may be issued to a Participant in any financial year is not to exceed in aggregate of the Share Entitlement Cap divided by the Market Price, rounded down to the nearest whole number.
- (b) No Participant may continue to participate in this Plan if that Participant owns, or has an interest in, or otherwise controls 10% or more of the issued share capital of the Company.
- (c) Notwithstanding any other provision of these Rules, no Shares may be issued under this Plan if the issue would breach the limit on the issue of equity securities in ASX Listing Rule 7.1 or would otherwise contravene the Listing Rules or Applicable Law.
- (d) Should the Company rely on a Class Order to make an Invitation or offer under the Plan, the total number of Shares issued at any time to Participants must not exceed the maximum (if any) permitted under any Class Order providing relief from the prospectus regime of the Corporations Act to ensure compliance with any relevant Class Order.

5. Shares

Shares issued under the Plan will rank equally in all respects with all existing Shares from the date of allotment, including in relation to:

- (a) voting rights; and
- (b) entitlements to participate in:

- (i) distributions and dividends; and
- (ii) future Rights issues and bonus issues,

where the record date for determining entitlements falls on or after the date of allotment.

6. Restrictions on transfer

6.1 Holding Lock

- (a) A Holding Lock will be applied to all Shares granted to a Participant under the Plan for the duration of the Holding Lock Period applicable to the relevant Shares.
- (b) While a Share is subject to a Holding Lock, that Share may not be sold, transferred, mortgaged, charged or otherwise dealt with or encumbered without the prior approval of the Board.

6.2 Release of Shares

- (a) After the expiration of the Holding Lock Period, the Company will release the Shares from their Holding Lock and notify the Participant of the release of Shares.
- (b) The Board may determine the expiry of a Holding Lock Period notwithstanding that the operation of the Plan in respect of a Participant or the Shares the subject of the Holding Lock will thereby cease to satisfy the provisions of section 83A-35 of the Income Tax Assessment Act 1997 (Cth).

6.3 Quotation on ASX

Within the six-month period after the expiration of the Holding Lock Period, the Company must apply for quotation by ASX of the Shares that are subject to the Holding Lock. Powers of the Board

6.4 Powers of the Board

The Plan will be managed by the Board, which will have power to:

- (a) determine appropriate procedures and make regulations for the administration of the Plan consistent with these Rules;
- (b) resolve and bind the Company and Participants absolutely regarding any question of fact, interpretation, effect or application arising in connection with the Plan;
- (c) determine matters falling for determination under these Rules in its absolute discretion having regard to the interests of and for the benefit of the Company;
- (d) exercise the discretions conferred on it by these Rules or which may otherwise be required in relation to the Plan; and
- (e) 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.

6.5 Suspension or termination of Plan

- (a) The Plan may be suspended or terminated at any time by resolution of the Board.
- (b) In the event of a suspension or termination, these Rules will continue to operate with respect to any Shares issued under the Plan prior to that suspension or termination.

7. Contracts of Employment and Other Employment Rights

7.1 Rules not part of employment contract etc

- (a) This Plan does not form part of any contract of employment or services between a Group Company, or any Related Body Corporate of a Group Company, and any Participant.
- (b) Nothing in these Rules confers on any Participant the right to receive any Shares.
- (c) It is a condition of these Rules that the Plan may be terminated at any time at the discretion of the Board and that no compensation under any employment or services contract will arise as a result.

7.2 Termination of employment

This Plan:

- (a) does not confer on any Employee or Participant the right to continue as an employee or officer or contractor of any Group Company or any Related Body Corporate of a Group Company;
- (b) does not affect any rights which a Group Company, or any Related Body Corporate of a Group Company, may have to terminate the employment or office of or contractual relations with the Employee or Participant; and
- (c) may not be used to increase damages in any action brought against a Group Company, or any Related Body Corporate of a Group Company, in respect of that termination.

8. Connection with other plans

Unless the Board otherwise determines, participation in the Plan does not affect, and is not affected by, participation in any other Employee Incentive Scheme by the Company unless the terms of that other Employee Incentive Scheme provide otherwise.

9. Listing Rules

While the Company remains listed on the ASX, the ASX Listing Rules apply to the Rules. To the extent there is any inconsistency between the Rules and the ASX Listing Rules:

- (a) the ASX Listing Rules prevail; and

- (b) the Rules must be interpreted and applied subject to the requirements of the ASX Listing Rules.

10. Notices

Any notice or direction given under these Rules is validly given if it is handed to the person concerned or sent by ordinary prepaid post to the person's last known address or given in any reasonable manner which the Board from time to time determines.

11. Plan costs and brokerage

- (a) Unless otherwise determined by the Board, the Company must pay:
 - (i) all costs, charges and expenses relating to the establishment and operation of the Plan; and
 - (ii) any brokerage for the acquisition of Shares under the Plan.
- (b) For the avoidance of doubt, the Company is not responsible for any brokerage payable in relation to the sale of Shares held by any Participant.

12. General restrictions

12.1 General

Notwithstanding any Rule, Shares may not be issued, transferred or dealt with under the Plan if to do so would contravene the Applicable Law or where the compliance with any Applicable Law would in the opinion of the Board be unduly onerous or impractical.

12.2 Limit on aggregate number of Shares

Except with the approval of the holders of its ordinary shares, the number of Shares that may be issued by the Company, including rights and options convertible into or exercisable for Shares, under all Employee Incentive Schemes (including the Plan) is limited to 1.5% (one and one half percent) of the total number of issued Shares as of the time of the issue (as adjusted for any reconstruction of the Company's share capital).

13. Amendment of the Rules, Vesting Conditions or terms of issue

13.1 General

Subject to Rule 13.2 and the Applicable Law, the Board may amend, add to, delete, revoke or otherwise vary any or all of the terms of issue of Shares or these Rules at any time in any manner it thinks fit in its absolute discretion (**Amendment**).

13.2 Limitation on Amendments

No Amendment to the provisions of these Rules may be made which reduces the rights of Participants in respect of Shares acquired by them 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 Applicable Law;
- (b) to correct any manifest error or mistake; or
- (c) for the purpose of enabling Participants to receive a more favourable taxation treatment in respect of their participation in the Plan.

14. Governing law

These Rules are governed by and will be construed in accordance with the laws of the State of New South Wales.