

Virtus Health Limited

Executive Option Plan and Specialist Option Plan

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Executive Option Plan and Specialist Option Plan

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Executive Option Plan and Specialist Option Plan

Plan Rules

1 Defined terms & interpretation

1.1 Defined terms

In this document, except where the context otherwise requires:

Application Form means an application form which is in the form approved by the Plan Committee from time to time, which must include confirmation from an applicant they agree to be bound by the Company's Constitution.

ASX Listing Rules means the official listing rules of ASX Limited (ABN 98 008 624 691).

Board means the directors of the Company acting as a board

Business Day means a day that is not a Saturday, Sunday, public holiday or bank holiday in New South Wales, Australia.

Cause means where the Company has a right to terminate the employment or contract or appointment of the relevant person by reason of breach, under performance, non-performance, fraud, dishonesty, negligence, committing a criminal offence or similar reasons.

Company means Virtus Health Limited (ACN 129 643 492).

Constitution means the constitution of the Company from time to time.

Control has the same meaning as in section 50AA of the Corporations Act and the word Controlled has a corresponding meaning.

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

Date of Issue means, with respect to an Option, the date on which the Plan Committee issues an Option to an Eligible Person.

Doctor means a medical practitioner who is contracted to the Group to provide ART services and in-vitro fertilisation services.

Eligible Employee means an employee or director of a Group Company eligible to acquire Options under a Plan, as determined by the Plan Committee from time to time.

Eligible Person means:

- (a) a Doctor;
- (b) an Eligible Employee, or
- (c) a Family Entity provided such entity is associated with such a Doctor or Eligible Employee within the meaning of section 708(12) of the Corporations Act, who the Plan Committee selects to receive an Offer under the Plan.

Exercise Date means the date on which a Participant exercises Vested Options in accordance with these Rules.

Exercise Notice means a notice in the form approved by the Plan Committee from time to time, stating that a Participant exercises his Options.

Exercise Period means, in respect of each Option, the period designated by the Plan Committee and notified to the Participant.

Exercise Price of an Option, means the price set out in the Offer for that Option (if any).

Family Entity means in respect of a person, a Family Company or Family Trust.

Family Company means, in respect of a Participant, a company which is Controlled, and in respect of which the majority of the shares are held, by or among the Participant and Immediate Family Members of the Participant.

Family Trust means, in respect of a Participant, the trustee of a trust where:

- (a) if the trustee is a company, the company is a Family Company;
- (b) in the case of a trust which is not a discretionary trust, the majority of the beneficial interests are held by or among the Participant as relevant and Immediate Family Members of the Participant; and
- (c) in the case of a trust which is a discretionary trust, the trustee has not determined to distribute the majority of any income or assets of the trust which are to be distributed to persons other than the Participant and Immediate Family Members of the Participant.

Group means the Company and its Subsidiaries and **Group Company** means anyone of them.

Immediate Family Member of a Participant means a spouse or child over 18 years of age of the Participant.

Leaver means:

- (a) a Doctor who:
 - (i) ceases to be contracted to[; or
 - (ii) is a Family Entity of a Doctor who ceases to be contracted to, a Group Company and, as a result, is not contracted to any Group Company;] or
- (b) any other Participant who:
 - (i) ceases to be employed by, contracted to or appointed by;
 - (ii) [is a Family Entity of a Participant who ceases to be employed by, contracted to or appointed by,]a Group Company and, as a result, is not employed by, contracted to, or appointed by, any Group Company.

Legal Personal Representative means the executor of the will or an administrator of the estate of a deceased person, the trustee of the estate of a

person under a legal disability or a person who holds an enduring power of attorney granted by a person.

Offer means an invitation to apply for Options, which must be in writing and in substantially the form determined by the Plan Committee.

Option means an option to subscribe for Shares in the Company issued to an Eligible Person under the Plan.

Ordinary Share means an ordinary share in the capital of the Company.

Participant means an Eligible Person who has accepted an Offer under the Plan and includes, if a Participant dies or becomes subject to a legal disability, the Legal Personal Representative of the Participant.

Plans means the share option plans known as the "Virtus Health Limited Executive Option Plan" and the "Virtus Health Limited Specialist Plan", each of which is governed by the Rules and **Plan** means each of them.

Plan Committee means the Board, or any committee of the Board to which the Board has delegated its powers to administer the Plan.

Rules means the rules governing the operation of the Plans which are set out in this document, as amended from time to time.

Security Interest means a mortgage, charge, pledge, lien, encumbrance or other third party interest of any nature.

Shareholder means a holder of any Shares.

Shares means Ordinary Shares.

Tax includes any tax, levy, impost, goods & 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.

Unvested Option means an Option which is not a Vested Option.

Vested Option means an Option which has vested in accordance with Rule 9.

Vesting Conditions means, in relation to an Option, the length of service and key performance indicators, and other conditions (if any) determined by the Plan Committee and specified in the Offer relating to that Option that are required to be satisfied, reached or met before that Option becomes a Vested Option.

Vesting Date means, in relation to any Options issued to a Participant, the date on which an Option becomes a Vested Option if the relevant Vesting Conditions are satisfied in accordance with the terms set out in the relevant Offer.

1.2 Interpretation

In this document, except where the context otherwise requires:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning;

- (c) a reference to a rule, paragraph or schedule is to a rule or paragraph of, or schedule to, this document, and a reference to this document includes any schedule;
- (d) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (e) a reference to **A\$, \$A, dollar** or **\$** is to Australian currency;
- (f) a reference to time is to time in New South Wales, Australia;
- (g) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (h) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (i) a word or expression defined in the Corporations Act has the meaning given to it in the Corporations Act;
- (j) the meaning of general words is not limited by specific examples introduced by **including, for example** or similar expressions;
- (k) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this document or any part of it; and
- (l) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day.

1.3 Headings

Headings are for ease of reference only and do not affect interpretation.

2 Introduction

2.1 Name of Plans

The Plans are called the “Virtus Health Limited Executive Option Plan” and the “Virtus Health Limited Specialist Option Plan”.

2.2 Objects of Plans

The objects of the Plans are to:

- (a) provide an incentive and to reward, retain and motivate Eligible Persons;
- (b) recognise the abilities, efforts and contributions of Eligible Persons to the performance and success of the Group; and
- (c) provide Eligible Persons with the opportunity to acquire or increase their ownership interests in the Group, in accordance with the Rules.

2.3 Commencement of Plans

Each Plan commences on the date it is formally adopted by the Board.

2.4 Advice

Eligible Persons should obtain their own independent advice (at their own expense) on the financial, taxation and other consequences to them of, or relating to, participation in a Plan.

3 Operation and Administration of the Plans

3.1 Plan operates in accordance with the Rules

Each Plan operates in accordance with the Rules.

3.2 Rules binding

The Rules bind the Company, each Group Company and each Participant.

3.3 Powers of Plan Committee

The Plans are and will be administered by the Plan Committee. The Plan Committee has full power to implement and carry out the Plans. Without limitation, the Plan Committee will have power to:

- (a) determine appropriate procedures and make regulations consistent with the Rules for the administration and operation of the Plans;
- (b) construe and interpret the Plans, any Offer, Application Form or Option certificate and any other agreement or document executed pursuant to the Plans;
- (c) determine the number of Options that are offered and issued to an Eligible Person;
- (d) without limitation to any person's rights to bring legal proceedings, determine questions of fact or interpretation arising in connection with the Plans;
- (e) terminate or suspend the operation of a Plan from future participation at any time, provided such termination or suspension does not adversely affect or prejudice the rights of Participants holding Options at that time;
- (f) delegate any functions and powers it may consider appropriate, for the efficient administration of a Plan, to any person or persons whom the Plan Committee reasonably believes to be capable of performing those functions and exercising those powers;
- (g) take and rely upon independent professional or expert advice in or in relation to the exercise of any of their powers or discretions under the Rules;
- (h) administer the Plans in accordance with the Rules as and to the extent provided in the Rules;
- (i) select Eligible Persons to receive Offers, having regard to the recommendations of the chief executive officer of the Company or otherwise as the Plan Committee thinks fit;

- (j) correct any defect, supply any omission or reconcile any inconsistency in the Plan, any Offer or Option certificate; and
- (k) any restrictions on a Participant's ability to deal in Shares provided on exercise of an Option.

3.4 Determination

Without prejudice to Rule 20:

- (a) any power or discretion conferred on the Plan Committee by the Rules may be exercised by the Plan Committee in the interests or for the benefit of the Company; and
- (b) subject to Rule 23.2, the Plan Committee has absolute discretion in any determination, decision, approval or opinion by it under the Rules.

3.5 Plan limits

Subject to Rule 16, the Plan Committee must not offer Options if making the Offer would breach the 5% capital limit set out in ASIC Class Order 03/184 (if ASIC Class Order 03/184 is applicable to a Plan) or equivalent individual instruments of relief granted by ASIC to the Company.

4 Rights of Participants

4.1 No conferred rights

The Rules:

- (a) do not confer on an Eligible Person the right to receive an Offer;
- (b) do not confer on a Participant the right to continue as a Eligible Person;
- (c) do not affect any right the Company or any Group Company may have to terminate the employment, engagement or appointment of a Participant; and
- (d) may not be used to increase damages in any action brought against the Company or any Group Company in respect of that termination.

4.2 Terms of employment or appointment not affected

- (a) The Rules do not:
 - (i) form part of any contract of employment, contract for services or letter of appointment in respect of any such employment, engagement or appointment, between an Eligible Person and a Group Company; or
 - (ii) constitute a related condition or collateral arrangement to any such contract of employment, contract for services or letter of appointment,

and participation in a Plan does not in any way affect the rights and obligations of an Eligible Person under the terms of his or her contract of employment, contract for services or letter of appointment.

- (b) The terms of a Participant's employment, engagement or letter of appointment with a Group Company do not in any way vary the rights and obligations of the Participant under a Plan, as set out in these Rules.
- (c) Subject to the rights of a Participant under a Plan, an Eligible Person or Participant has no right to compensation or damages from any Group Company in respect of any loss or future rights under the Plan, as a consequence of termination of the Eligible Person's or Participant's employment or appointment.

4.3 Other schemes

- (a) Participation in a Plan does not affect, and is not affected by, participation in any other share or option scheme operated by the Group from time to time unless the terms of the other scheme provide otherwise.
- (b) Neither the adoption of the Plans nor any provision of a Plan will be construed as creating any limitations on the power of the Plan Committee to adopt such additional remuneration arrangements as they may deem desirable, including the granting of share options and bonuses otherwise than under the Plans, and such arrangements may be either generally applicable or applicable only in specific cases.

4.4 General meetings

A Participant, has no right merely as a result of being a Participant, to attend or vote at general meetings of the Company, and each Participant acknowledges that, as a Participant, other than those rights set out in the Corporations Act, the Participant does not have the right to vote on the affairs of the Company. This Rule 4.4 does not affect the rights of Participants in any other capacity (for example, as a Shareholder) or under any other document.

4.5 Information

A Participant, in their capacity as a Participant, is not entitled to demand any financial or other information from the Company and the Company is not obliged to provide the Participant, as a Participant, with any such information. This Rule 4.5 does not affect the rights of Participants in any other capacity (for example, as a Shareholder) or under any other document.

5 Principal conditions

5.1 Options issued only to Eligible Persons

An Option may not be issued to a person under a Plan unless the person is an Eligible Person as at the Date of Issue, or the Plan Committee determines otherwise.

5.2 Compliance with laws

- (a) An Option may not be offered or issued to, or exercised by, an Eligible Person or Participant if to do so would contravene any applicable laws, rules or regulations (including the Corporations Act).
- (b) Any Options must be issued in compliance with all applicable laws, rules and regulations of any governmental body, and the ASX Listing Rules, as they are in effect on the Date of Issue and also on the date of exercise or other issuance.

- (c) Notwithstanding any other provision in the Plan, the Company will have no obligation to issue or transfer Shares on exercise of Options under the Plan prior to complying with all applicable laws, rules and regulations (including the Corporations Act and the ASX Listing Rules). The Company agrees to take reasonable steps within its capacity to comply with the applicable laws, rules and regulations.

5.3 Provision of Ordinary Shares on exercise

Each Option confers on its holder the right to subscribe for, or be transferred, Ordinary Shares. The terms of the Offer will specify whether each Option is convertible into one Ordinary Share or a number of Ordinary Shares, in each case subject to adjustment under Rule 16.

6 Offers

6.1 Plan Committee may make Offers

Subject to the Rules, the Plan Committee may (from time to time) make an Offer to any Eligible Person.

6.2 Terms of each Offer

Each Offer (which need not be the same for each Eligible Person) must specify:

- (a) the maximum number of Options for which the Eligible Person may apply;
- (b) the dates on which the Options are to be issued;
- (c) the time period by which the Application Form must be received by the Company;
- (d) the Exercise Price of each Option (if any);
- (e) the Vesting Date(s) of the Options;
- (f) any Vesting Conditions in relation to the Options; and
- (g) any other conditions which need to be satisfied before the Options can be exercised.

6.3 Copy of Plan rules

A copy of the Rules or a summary of the Rules must accompany each Offer.

6.4 Offer personal

Each Offer is personal to the Eligible Person to whom it is made. Only the Eligible Person to whom an Offer is made may accept the invitation constituted by the Offer and the Company may only issue the Options referred to in the Offer to that Eligible Person.

7 Application for Options

7.1 Acceptance of Offer

An Eligible Person may accept the invitation constituted by an Offer by giving to the Company a duly completed and executed Application Form in his or her own name within the time specified in the Offer.

7.2 Application for all (and not some) of the Options

The invitation constituted by an Offer may only be accepted in its entirety, and not in part, unless the Plan Committee determines otherwise.

7.3 Lapse of Offer

An Offer not accepted in accordance with Rule 7.1 lapses, unless the Plan Committee determines otherwise.

8 Issue of Options

8.1 Acceptance of application and issue

As soon as practicable following receipt of a duly completed and executed Application Form from an Eligible Person, the Company may, subject to the conditions of the Offer (if any) being satisfied and in its absolute discretion:

- (a) accept the Application Form; and
- (b) issue to the Eligible Person who has returned the duly completed and executed Application Form all of the Options the subject of the Application Form.

8.2 Eligible Persons become Participants

An Eligible Person becomes a Participant and is bound by the Rules when the Company issues Options to that Eligible Person.

8.3 Certificates

The Company must give to each Participant, or procure the giving of, a certificate in respect of the number of Options held by each Participant.

8.4 Register

- (a) The Company must:
 - (i) set up and maintain a register of optionholders; and
 - (ii) at the same time as issuing Options to an Eligible Person under Rule 8.1(b), update the Company's register of optionholders.
- (b) The Company's register of optionholders must contain the information required by section 170(1) of the Corporations Act.

8.5 Consideration for issue of an Option

The consideration for the issue of an Option to an Eligible Person is the services expected of an Eligible Person to or for the benefit of the Group (and any other consideration given by the Eligible Person). An Eligible Person does not have to

pay money or give other consideration for the issue of an Option unless otherwise determined by the Plan Committee and specified in the Offer.

8.6 Interest in Shares to which Options relate

A Participant has no right or interest to any underlying Shares unless and until Shares are issued or transferred to that Participant following exercise of Options in accordance with the Rules.

9 Vesting of Options

9.1 Vesting

Options which have not lapsed in accordance with Rule 13 will vest on the earlier of:

- (a) the Plan Committee giving notice to a Participant that the Vesting Conditions specified in the relevant Offer have been satisfied;
- (b) the Plan Committee giving notice to a Participant under Rule 14; and
- (c) if the Plan Committee so determines.

9.2 Eligible Person at Vesting Date

An Option may not vest under the Plan unless the Participant is an Eligible Person as at the Vesting Date, or the Plan Committee determines otherwise.

10 Right to exercise Options

10.1 Exercise of Options which have an exercise price

If a Participant wishes to exercise Vested Options and those Options have an exercise price, the Participant must, within the Exercise Period:

- (a) serve on the Company a duly completed and executed Exercise Notice;
- (b) deliver to the Company any certificate which has been issued by the Company for those Options; and
- (c) pay to the Company the aggregate Exercise Price in cleared funds.

10.2 Exercise of options which have no exercise price

If an Option becomes a Vested Option and:

- (a) it does not have an exercise price; and
- (b) any other exercise conditions attaching to the exercise of the Option have been satisfied.

the Vested Option will be automatically exercised at the time and in a manner determined by the Plan Committee in its absolute discretion. Unless determined otherwise by the Plan Committee, such an Option cannot be exercised in any other way.

10.3 Leavers who are eligible employees

If a Participant who is an employee of a Group Company becomes a Leaver, then, unless the Plan Committee determines otherwise:

(a) all of the Participant's Unvested Options will lapse as follows:

(i) if the employee ceases to be an employee as a result of:

(A) death, serious disability or permanent incapacity through ill health (as determined by the Plan Committee, acting reasonably) of such person; or

(B) the cessation of the employment of such person in circumstances other than for Cause,

(a “**Permitted Reason**”)

the number of Unvested Options to lapse at the date the Participant becomes a Leaver is determined as follows (rounded up to the nearest whole number):

$$UO \times \frac{(P-E)}{P}$$

Where:

UO is the number of Unvested Options at the date the Participant becomes a Leaver that have not previously lapsed.

E is the number of whole months between the date the Participant becomes a Leaver and the Date of Issue.

P is the performance period for the new Option (in months).

Any remaining Unvested Options which do not vest in accordance with their terms will lapse in accordance with Rule 13.1.

(ii) if the employee of a Group Company who has become a Leaver does not cease to be an employee as a result of a Permitted Reason, the Unvested Options held by that Participant will automatically lapse for no consideration on the date the Participant becomes a Leaver;

(b) if not already exercised, the Participant must exercise all Vested Options in accordance with Rule 10.1 (if permitted by the terms of Offer of those Options) or they must be exercised by the Plan Committee in accordance clause 10.2 within 28 days after the date the Participant becomes a Leaver, failing which the Options will lapse in accordance with Rule 13.1.

10.4 Leavers who are Doctors

If a Participant who is a Doctor becomes a Leaver:

- (a) subject to Rule 10.4(b), the Unvested Options held by that Participant will automatically lapse for no consideration on the date the Participant becomes a Leaver;
- (b) if the Doctor who has become a Leaver ceases to be a contractor to the Group as a result of:
 - (i) death, serious disability or permanent incapacity through ill health (as determined by the Plan Committee, acting reasonably) of such person; or
 - (ii) the termination of the engagement of such person in circumstances other than for Cause,

the Plan Committee may, in its absolute discretion, determine that some or all of the relevant Participant's Unvested Options shall not lapse and/or will vest on the date the Participant becomes a Leaver or such other date determined by the Plan Committee;

- (c) if not already exercised, the Participant must exercise all Vested Options in accordance with Rule 10.1 (if permitted by the terms of the Offer of those Options) or they must be exercised by the Plan Committee in accordance with clause 10.2 within 28 days after the date the Participant becomes a Leaver, failing which the Options will lapse in accordance with Rule 13.1.

10.5 Leavers – termination benefits

In all cases, the treatment of Options on cessation of employment or termination of engagement or appointment is subject to applicable law, including in relation to the provision of termination benefits under Part 2D.2 Division 2 of the Corporations Act. Virtus is not bound to exercise any discretion in connection with an Option or a Plan or provide any associated benefit in connection with a Participant's cessation of employment, engagement or appointment to the extent that the amount of the benefit (together with all other relevant termination benefits) exceeds the amount that is permitted to be paid or given under the Corporations Act without member approval, if such relevant approval has not been obtained. Nothing in a Plan requires or will be deemed to require Virtus or any related body corporate to seek the approval of their respective members to enable them to perform an action in connection with the Option.

10.6 Unvested Options

A Participant will not be entitled to exercise any Unvested Options at any time.

11 Shares

11.1 Issue or transfer

Subject to the ASX Listing Rules, Virtus must issue or procure the transfer of Shares on exercise of an Option in accordance with the Rules.

11.2 Shares in the capital of the Company rank equally

Subject to the Rules and the Constitution and unless otherwise provided in an Exercise Notice, if Shares are issued on exercise of the Options they rank equally with all existing Shares on and from the date of issue in respect of all

rights issues, bonus share issues and dividends which have a record date for determining entitlements on or after the date of issue of the Shares, issued on exercise of the Options.

12 Trustee

The Company may appoint a trustee on terms and conditions which it considers appropriate to acquire and hold Shares either on behalf of Participants or otherwise for the purposes of the Plans.

13 Lapse of Options

13.1 Events causing lapse of Options

An Option lapses on the earlier of:

- (a) the date the Plan Committee determines that the Option should lapse because the Participant (in the Plan Committee's opinion and in the opinion of the medical director) has committed any act of fraud or misconduct in relation to the affairs of that body corporate (whether or not charged with an offence) or gross dereliction of duty;
- (b) subject to clauses 10.2 and 10.4, the date 28 days after the Participant becomes a Leaver;
- (c) the date on which the Vesting Conditions in respect of that Option are no longer capable of being satisfied in accordance with the terms of the relevant Offer. For the avoidance of doubt, this paragraph 13.1(c) operates where the catch-up period set out in the relevant Offer (if any) has expired without the relevant Vesting Conditions being satisfied;
- (d) the tenth anniversary of the Date of Issue of the relevant Option or such earlier date as specified in the Offer; and
- (e) the date the Company receives a notice from a Participant that the Participant wishes the Option to expire.

13.2 Rights cease

If an Option lapses, all rights of a Participant under the Plan in respect of that Option cease, and no consideration will be payable for or in relation to that lapse.

13.3 Fractions

For the purposes of Rule 14, if Options are exercised simultaneously, then the Participant may aggregate the number of Shares or fractions of Shares for which the Participant may subscribe. Fractions in the aggregate number only will be disregarded in determining the total entitlement of a Participant.

14 Takeovers or other extraordinary events

The Plan Committee may give a notice to a Participant for the purposes of Rule 9.1(b) if:

- (a) a takeover bid is made to the holders of Shares (other than as a result of an allotment approved by the Plan Committee);

- (b) a statement is lodged with the ASX to the effect that a person has become entitled to not less than 20% of the Shares (other than as a result of an allotment approved by the Plan Committee);
- (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 the Company or its amalgamation with any other companies;
- (d) Virtus passes a resolution for voluntary winding up; or
- (e) an order is made for the compulsory winding up of Virtus.

The notice given pursuant to this clause 14 may specify that the Options become Vested Options and are automatically exercised on a date determined by the Plan Committee.

15 Dealings with Options

15.1 Options may only be transferred with approval of Plan Committee

A Participant may only transfer Options with the prior written consent of the Plan Committee, which consent may be granted or denied at the absolute discretion of the Plan Committee. Any consent granted by the Plan Committee may be subject to conditions.

15.2 No unauthorised disposal

Except with the prior written consent of the Plan Committee, a Participant must not:

- (a) dispose of, deal with or grant any Security Interest over or otherwise deal with an Option or any interest in an Option (or purport to do any of those things), and any Security Interest or disposal or dealing will not be recognised in any manner by the Company; and
- (b) otherwise enter into any transaction, scheme or arrangement which hedges or otherwise affects the Participant's economic exposure to the Options before they become Vested Options.

16 Reorganisation of capital

16.1 New issues and Recapitalisations

- (a) Participants are not entitled to participate, in their capacity as optionholders, in any new issue of securities in the Company, nor in any return of capital, buyback or other distribution or payment to Shareholders, unless the Plan Committee determines otherwise.
- (b) In the event of a bonus issue or rights issue, the rights attaching to an Option will be altered in a manner (if any) determined by the Plan Committee, consistent with the Listing Rules.

16.2 Reconstruction

In the event of any reorganisation of the issued ordinary capital of the Company before the exercise of an Option, the number of Shares attaching to each option will be reorganised in the manner specified below or otherwise to the extent

necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

If the manner is not specified then the Plan Committee will determine the reorganisation. In any event, the reorganisation will not result in any additional benefits being conferred on Participants which are not conferred on shareholders of the Company (subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting of shareholders approving the reorganisation of capital) and in all other respects the terms for the exercise of the Option will remain unchanged.

In particular, if at any time or from time to time during the period in which the Options have been granted, but not yet been exercised or lapsed:

- (a) the Company consolidates its Shares, the number of Options to which the Participant is entitled must be consolidated in the same ratio as the number of Shares under that consolidation and any Exercise Price must be amended in the inverse proportion;
- (b) the Company subdivides its Shares, the number of Options to which the Participant is entitled must be subdivided in the same ratio as the number of Shares under that sub-division and any Exercise Price must be amended in the inverse proportion;
- (c) the Company returns any capital to the holders of Shares (other than on a cancellation of Shares), the number of Options to which the Participant is entitled is to remain the same and any Exercise Price must be reduced by the same proportion as the amount returned in relation to each Share;
- (d) the Company reduces its capital by a cancellation of paid up capital that is lost or not represented by available assets and there is no cancellation of Shares, the number of Options to which the Participant is entitled and any Exercise Price remain the same;
- (e) the Company returns any capital to the holders of Shares upon a cancellation of Shares, the number of Options to which the Participant is entitled and the Exercise Price remain the same.

16.3 Calculations and adjustments

Any calculation or adjustment required under this Rule 16 will be made by the Plan Committee and is, in the absence of manifest error, final and conclusive and binding on the Company and the Participant.

16.4 Notice of change

The Company must within a reasonable period give each Participant notice of any change under the Rules to the number of Shares that the Participant may subscribe for on exercise of an Option.

17 Quotation of Options and Shares

- (a) Options will not be quoted on the ASX.
- (b) Virtus will make application to the ASX for official quotation of Shares on the exercise of Options, if other Shares are listed at that time, as soon as practicable after the Shares are issued.

18 Warranties

Each Participant warrants that he has obtained his own independent advice on the legal, financial, taxation and other consequences to him of, or relating to, participation in the Plan, and is not relying on anything that the Company, the Plan Committee or any member of the Plan Committee have said or done.

19 Constitution

Each Participant acknowledges and agrees that:

- (a) under section 136(2) of the Corporations Act, the Company may modify or repeal its Constitution by special resolution; and
- (b) accordingly, the Company may modify or repeal its Constitution (including amending the rights and restrictions applying to the Shares to be issued on exercise of the Options) by special resolution.

20 Discretion

Where the Rules state that the Plan Committee has discretion or mayor may not do something, the Plan Committee can withhold or give their consent, give their consent subject to conditions and otherwise exercise their discretion or right in their absolute discretion.

21 Tax

- (a) The Company is not responsible for any Taxes which may become payable by a Participant in connection with the issue of the Options, the issue of Shares on the exercise of the Options or any other dealing by a Participant with the Options or Shares to be issued on exercise of the Options.
- (b) If a Group Company is required to pay an amount of account to an authority for Tax (other than any payments made in relation to payroll tax, fringe benefits tax or payments ordinarily required to be made by a Group Company in relation to the superannuation guarantee) in relation to Options or Shares allocated on exercise of an option in respect of a Participant then:
 - (i) the company may recover an amount in respect of the Tax from the Participant in such manner as the Plan Committee thinks fit; and
 - (ii) the Participant may be required as either or both a condition of the grant or vesting of the Option or the allocation, sale or transfer of Shares to do any of the following:
 - (A) indemnify the Group Company in respect of the Tax;
 - (B) make a payment to the Group Company in respect of the Tax; or
 - (C) enter into an arrangement with the Group Company to secure a payment to the company, including by providing authority that a person may procure the sale on behalf of the Participant of some or all of the Shares

that would otherwise be allocated to or acquired or held for the Participant and authorising the payment of the relevant amount to the Group Company.

- (c) If a Participant fails to comply with rule 21(b) in relation to an Option or a Share (as the case may be), then the Participant's Options will lapse and the Participant's interest in the Shares will be forfeited.

22 Notices

Notices may be given by the Company to Participants in any manner as the Plan Committee may from time to time determine.

23 Amendments

23.1 Plan Committee may amend

Subject to Rule 23.2, the Plan Committee may at any time amend the Rules, or waive or modify the application of the Rules in relation to any Participant in its absolute discretion.

23.2 Consent of Participants

If a proposed amendment to the Rules would adversely affect the rights of, or benefits conferred upon, Participants in respect of any Options then held by them, the Plan Committee must obtain the consent of Participants (such consent not to be unreasonably withheld or delayed) who between them hold not less than 90% of the total number of Options held by all such Participants before making the amendment.

24 Additional items

By applying for Options, the Participant agrees that and authorises Virtus and its subsidiaries to:

- (a) collect, use, process and transfer personal data of the Participant, including the Tax File Number of the Participant, amongst themselves; and
- (b) transfer personal data to any third parties, including Link Market Services Limited or any successor or replacement registry,

for the purposes of implementation, administration and management of a Participant's participation in the plan or assisting in the implementation, administration and management of the Plan more generally.

25 Expenses and costs

Subject to the Rules, the Company and any Group Company must pay any expense, cost and charge incurred in the administration of the Plan in the amounts and proportions as agreed by them.

26 Governing law

The Rules and the rights and obligations of Participants under the Plan are governed by the law of New South Wales and each Participant irrevocably and unconditionally submits to the nonexclusive jurisdiction of the courts of New South Wales.