

**Bellamy's Australia Ltd**  
**ACN 124 272 108**

**Share Option Plan Rules**

**[Adopted 24 June 2014]**

---

## Contents

1	Definitions and Interpretation	3
2	Purpose	7
3	Commencement of Plan	7
4	Eligibility and Issue	7
5	Option terms and conditions	8
6	Grant of Options	8
7	Vesting Conditions	10
8	Forfeiture Conditions	11
9	Exercise Conditions	12
10	Disposal Restrictions	12
11	Dealing	14
12	Exercise	14
13	Option Buy-back	16
14	Market Value	17
15	Capital Reconstructions	17
16	Rights attaching to Options	18
17	Rights of Participants	19
18	Applicability of Rules to Participants in particular countries	20
19	Administration of the Plan	20
20	Listing Rules	21
21	Amendment of Plan	22
22	Notices	22
23	Duration and termination of the Plan	23
24	Governing law	23

# 1 Definitions and Interpretation

## 1.1 Definitions

In these Rules the following words and expressions have the meanings indicated unless the contrary intention appears:

“**ASX**” means the Australian Stock Exchange Limited ACN 008 624 691.

“**Board**” means all or some of the directors of the Company acting as the board or a person or committee delegated by the board in accordance with clause 19.2.

“**Buy-back**” means the procedure by which the Company may Buy-back Shares held by Participants as specified under clause 13.

“**Capital Reconstruction**” means any of the following events:

- (a) the Company issues Shares by way of capitalisation of profits or reserves;
- (b) the Company gives holders of Shares the right (pro-rata with existing shareholding and on terms including the payment of some consideration by the holders of Shares on exercising the right) to subscribe for additional Shares;
- (c) the Company subdivides or consolidates its Shares;
- (d) the Company returns issued capital to holders of Shares;
- (e) the Company issues or cancels Shares on a pro-rata basis;
- (f) the Company merges or consolidates with another company;
- (g) the Company demerges or spins out a subsidiary entity;
- (h) the Company interposes a holding company between the Company and the shareholders;
- (i) the Company reorganises its issued capital in any other manner that is not referred to above (other than an issue of new shares or options in the ordinary course of business or in lieu of dividends or by way of dividend reinvestment).

“**Company**” means Bellamy’s Australia Limited ACN 124 272 108.

“**Conditions**” means any or all of the Vesting Conditions, Forfeiture Conditions and Disposal Restrictions.

“**Constitution**” means the constitution of the Company.

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

**“Disposal Restrictions”** means any conditions or restrictions determined in accordance with clause 10 that must be satisfied before an Eligible Employee is entitled to dispose of Shares acquired on exercise of an Option or any interest in such Shares.

**“Eligible Employee”** means an employee of the Group, including directors, or other person whom the Board determines is eligible to participate in the Plan.

**“Exercise Conditions”** means any conditions determined in accordance with clause 9.

**“Exercise Price”** means the amount payable (if any) by a Participant to acquire a Share on the exercise of an Option as specified in the Offer or as varied in accordance with these Rules.

**“Forfeiture Conditions”** means any conditions determined in accordance with clause 8 that could or may result in a Participant forfeiting the Option or any interest in the Option.

**“Group”** means the Company and its subsidiary entities.

**“Initial Public Offering”** means an initial public offering of shares in the Company or any of its Subsidiaries to facilitate the listing of the Company or any of its Subsidiaries on the ASX or a Stock Exchange.

**“Liquidity Event”** means:

- (a) any person, either alone or together with any associate (as defined in the *Corporations Act*) acquires all or substantially all of the Company’s assets or acquires a relevant interest (as defined in the *Corporations Act*) in more than 50% of the issued Shares in the Company;
- (b) the liquidation or dissolution of the Company; or
- (c) any similar event which the Board determines.

**“Listed”** means a Company that has been admitted to the official list of the ASX or Stock Exchange.

**“Listing Rules”** means the official listing rules of the ASX or the Stock Exchange on which the Shares are listed.

**“Market Value”** means the value of a Share determined in accordance with clause 14.

**“Net Gain”** means the amount determined by subtracting the Exercise Price of an Option granted under the Plan from the Market Value of the Share which is the subject of the Option.

**“Notice of Exercise”** means a notice of exercise of an Option, the manner, form and content of which is to be as determined by the Board.

**“Offer”** means an offer of Options to Eligible Employees made under this Plan as set out in the Offer Letter.

**“Offer Letter”** means the document evidencing the Offer and forms part of this Plan.

**“Option”** means an option to acquire either an issued Share or an unissued Share and includes Restricted Options and Unrestricted Options.

**“Option Certificate”** means a certificate issued by the Company to a Participant, the form and content of which is to be determined by the Board which may include details of the number of Options granted, the date the Options were granted, the Exercise Price and the Term.

**“Participant”** means an Eligible Employee who has accepted an Offer to acquire Options under this Plan.

**“Plan”** means this plan known as the Bellamy’s Australia Limited Employee Share Option Plan as constituted by the Rules.

**“Restricted Options”** means Options that are subject to the Vesting Conditions and the Vesting Conditions have not been satisfied, removed or lifted.

**“Restricted Shares”** means Shares that are subject to the Disposal Restrictions and the Disposal Restrictions have not been satisfied, removed or lifted.

**“Rules”** means the rules contained rules contained in this document known as the Bellamy’s Australia Limited Employee Share Option Plan.

**“Security Trading Policies”** means the Company’s security trading policies from time to time.

**“Share”** means an ordinary share in the capital of the Company.

**“Shareholder Approval”** means any prior consent or affirming resolution that needs to be obtained from shareholders of the Company before an action is taken or determination made under these Rules.

**“Stock Exchange”** means the Australian Stock Exchange Limited ACN 008 624 691 or any other stock exchange approved by the Board.

**“Term”** means the period specified by the Board in the Offer (but in any case not exceeding 5 years commencing from the date an Option is granted) during which a Participant may exercise an Option.

**“Unrestricted”** means Options or Shares or both, which are not or no longer Restricted.

**“Vesting Conditions”** means any conditions determined in accordance with clause 7 that must be satisfied before an Eligible Employee is entitled to exercise Options to acquire Shares.

## 1.2 Interpretation

In this Plan, unless a contrary intention appears, or context otherwise requires:

- (a) a reference to any document, including these Rules, or part of any document includes any variation, assignment, novation or replacement of that document or part of that document from time to time;
- (b) 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;
- (c) headings are for convenience only and do not affect the interpretation of these Rules;
- (d) singular includes the plural and vice versa;
- (e) words importing a particular gender include other genders;
- (f) a reference in these Rules to a person includes that person’s administrators, successors and permitted assignees;
- (g) a reference to “\$” or “dollar” is a reference to Australian currency;
- (h) words or phrases that have a defined meaning are identified by the use of a capital letter;
- (i) the word “includes” in any form is not used as or interpreted as a word of limitation;
- (j) where a word or phrase is defined, cognate words and phrases have corresponding meanings;
- (k) references to the exercise of a power or discretion include a decision not to exercise the power or discretion;
- (l) law means common law, principles of equity, and laws made by a State, Territory and Commonwealth parliament;
- (m) to the extent that there is any inconsistency between the Plan and the Constitution, the Company and the Eligible Employee agree that the Plan prevails; and

- (n) if any provision of these Rules is invalid, unenforceable or otherwise ineffective, that invalidity, unenforceability or ineffectiveness does not affect the validity, enforceability, operation, construction or interpretation of any other provision of these Rules, with the intent that the invalid or unenforceable provision will be read down or, if it is not capable of being read down, will be treated for all purposes as severable from these Rules.

## **2 Purpose**

The purpose of the Plan is to enable Eligible Employees to acquire Options for purposes including:

- (a) motivating and retaining Eligible Employees; and
  - (b) attracting high quality persons as Eligible Employees
- by enabling them to share the rewards of capital growth in the Company.

## **3 Commencement of Plan**

The Plan will commence on the date these Rules are adopted by the Board.

## **4 Eligibility and Issue**

### **4.1 Participation by Eligible Employees**

The Board may determine that an Eligible Employee may participate in the Plan.

### **4.2 Selection**

Following determination that an Eligible Employee may participate in the Plan the Board may make an Offer to the Eligible Employee.

### **4.3 Offer**

- (a) The manner, form and content of an Offer will be determined by the Board in accordance with these Rules.
- (b) Notwithstanding these Rules or the terms and conditions of any Offer, no Share may be offered, issued or transferred if to do so:
  - (i) would contravene the Corporations Act or other securities legislation; or

- (ii) would contravene the local laws of the country in which an Eligible Employee or Participant resides, or receives the Offer, if different.
- (c) An Offer is not transferable and an Eligible Employee may only apply for the Shares in his or her name and not on behalf of another person.

## 5 Option terms and conditions

The terms and conditions of the Offer:

- (a) will be determined by the Board and must include the following as a minimum:
  - (i) the name of the Eligible Employee;
  - (ii) the number of Options;
  - (iii) acquisition price of Options (if any) the Participant is required to pay as consideration for the grant of Options and the terms and conditions of payment of that consideration;
  - (iv) the Exercise Price (if any);
  - (v) the Term;
  - (vi) whether Shares will be subject to Conditions and the terms and conditions thereof; and
  - (vii) details of the Exercise Conditions and any Disposal Restrictions attaching to Shares acquired on exercise of an Option;
  - (viii) the closing date for accepting the Offer;
  - (ix) any other terms and conditions the Board considers appropriate; and
- (b) must be set out in the Offer Letter and be delivered to the Participant.

## 6 Grant of Options

### 6.1 Application for Options

- (a) An Eligible Employee who wishes to apply for Options specified in an Offer must on or before the closing date for acceptance stated in the Offer (or any other date that the Company may allow either generally or in a particular case) do what is specified in the Offer in order to accept the Option.



- (b) Where the Eligible Employee complies with subclause 6.1(a), the Company may accept the application from the Eligible Employee and may grant the relevant Options to the Participant in accordance with the Offer.
- (c) Where Options are granted in accordance with subclause 6.1(b), the Company will issue the Participant an Option Certificate in respect of those Options.

## **6.2 Option Entitlements**

Subject to the Conditions or the Board making a determination otherwise, each Option entitles the holder to subscribe for and be allotted or transferred one Share on payment of the Exercise Price and on meeting the exercise requirements under clause 9 and clause 12.

## **6.3 Transaction costs**

The Company may but is not required to bear all brokerage, commission or other transaction costs payable by the Participants in relation to Shares acquired on exercise of an Option.

## **6.4 Ranking of Shares**

Shares acquired on exercise of Options rank equally in all respects with all existing Shares, being in the same class as the Shares, from the date of issue in respect of all rights issues, dividends and other distributions to, or entitlements of, holders of existing Shares made or declared on or after acquisition.

## **6.5 Lapse of Options**

- (a) Unless determined otherwise by the Board, Options will lapse and be incapable of exercise on the earlier to occur of any of the following:
  - (i) The expiry of the Term;
  - (ii) The date the Participant ceases to be employed by the Company or a Subsidiary;
  - (iii) The date Options are forfeited in accordance with clause 8.3;
  - (iv) The date the Board determines that any or all of the Vesting Conditions advised to the Participant in accordance with clause 7 will not or cannot be satisfied for any reason;
  - (v) The date the deceased Participant's legal representative fails to exercise the Unrestricted Option as stipulated in clause 11.3;
  - (vi) The date the Company commences to be wound up; or

- (vii) The dates otherwise determined by the Board.
- (b) In the event Options lapse in accordance with subclause 6.5(a), the acquisition price of Options (if any) paid by the Participant as consideration for the grant of Options will be refunded in full to the Participant.

## **7 Vesting Conditions**

### **7.1 Board may determine Vesting Conditions**

The Company may, when making an Offer, determine that the Options will be subject to the Vesting Conditions of this clause 7.

### **7.2 Vesting Conditions detailed in the Offer**

Where the Board makes a determination under clause 7.1, the Board will specify in any Offer that the Options offered are subject to the Vesting Conditions under this clause 7.

### **7.3 Scope of Vesting Conditions**

The nature and content of the Vesting Conditions may be determined by the Board and may include conditions relating to continuing employment, performance of the Participant or the Company or the occurrence of specific events.

### **7.4 Specific events**

In the occurrence of the following events, the Board may determine that the Options will vest immediately, notwithstanding the Vesting Conditions in clause 7.3:

- (a) Where there is a Liquidity Event; or
- (b) Any other events as determined by the Board.

### **7.5 Effect of Vesting Conditions**

Options that are subject to Vesting Conditions that have not been satisfied will be Restricted Options until such time as the Vesting Conditions are removed, satisfied or lifted.

### **7.6 Removal or Vesting Conditions by Board**

The Board may determine that any Restricted Options are no longer subject to the Vesting Conditions and will notify the Participant of such a determination in writing. Following this notification, but subject to any other Conditions, these Options will become Unrestricted Options and may be dealt with in accordance with the Rules and the Security Trading Policies.

## **8 Forfeiture Conditions**

### **8.1 Board may determine Forfeiture conditions**

The Company may, when making an Offer, determine that Restricted or Unrestricted Options will be subject to the Forfeiture Conditions of this clause 8.

### **8.2 Forfeiture conditions detailed in the Offer**

Where the Board makes a determination under clause 8.1, the Board will specify in any Offer that the Options offered are subject to the Forfeiture Conditions.

### **8.3 Scope of Forfeiture Conditions**

The Forfeiture Conditions must include:

- (a) While Options, whether Restricted or Unrestricted, are held by a Participant, if the Board determines that the Participant has acted unlawfully or dishonestly, or committed any act of fraud, defalcation, gross misconduct, or is in serious breach of the Participants obligations in relation to the affairs of the Company or a Subsidiary, the Participant will forfeit any right or interest in the Options and in respect of any entitlements in respect of those Options.
- (b) Other Forfeiture Conditions determined by the Board.

### **8.4 Effect of Forfeiture Conditions**

Options subject to the Forfeiture Conditions may be forfeit at any time prior to exercise under this Clause.

### **8.5 Participant may request removal of Forfeiture Condition**

- (a) The Board may determine that any Restricted Options are no longer subject to the Forfeiture Conditions and will notify the Participant of such a determination in writing.
- (b) A Participant may request the Board to make a determination to lift or remove the Forfeiture Conditions in accordance with subclause 8.5(a) and the Board may determine whether to accept such a request.

### **8.6 Participant has no right to proceeds**

Unless communicated otherwise in the Offer, a Participant will have no right to the proceeds from any Options forfeited under this clause 8 and will release and hold harmless the Company in respect of any claim in respect thereof.

## **9 Exercise Conditions**

### **9.1 Board may impose Exercise Conditions**

The Company may, when making an Offer, determine that the Options will be subject to the Exercise Conditions of this clause 9.

### **9.2 Exercise Conditions**

Where the Board makes a determination under subclause 9.1, the Board will specify in any Offer made to Eligible Employees in accordance with clause 4 that the Options offered are subject to the Exercise Conditions.

### **9.3 Overriding Exercise Condition**

Unless otherwise determined by the Board, Options under this Plan are subject to an overriding Exercise Condition that Options can only be exercised where those Options are Unrestricted Options and the Eligible Employees accede to the requirements of the Shareholder Agreement in accordance with clause 12.7.

### **9.4 Effect of Exercise Conditions**

Options that are subject to Exercise Conditions that have not been satisfied cannot be exercised under clause 12, unless those Exercise Conditions are removed, satisfied or lifted in respect.

### **9.5 Removal of Exercise Conditions by Board**

The Board may determine that any Options are no longer subject to the Exercise Conditions of this clause 9 and will notify the Participant of such a determination in writing. Following this notification, but subject to any other Conditions, these Options may be dealt with in accordance with the Rules.

## **10 Disposal Restrictions**

### **10.1 Board may determine Disposal Restrictions**

The Company may, when making an Offer, determine that the Shares acquired on exercise of Options may not be disposed of or dealt with in any way for a period the shorter of:

- (a) a period as determined by the Board at the time of the Offer, commencing at the time of acquisition of the Options by the Participant;
- (b) the time when the Participant is no longer employed by the Company.

## **10.2 Disposal Restrictions detailed in the Offer**

Where the Board makes a determination under clause 10.1, the Board will specify in any Offer that Shares acquired on exercise of Options are subject to the Disposal Restrictions.

## **10.3 Absence of Disposal Restrictions**

Where the Board does not specify any Disposal Restrictions, the Shares acquired on exercise of Options may be disposed of in accordance with these Rules and the Shareholders Agreement.

## **10.4 Effect of Disposal Restrictions**

- (a) Shares acquired on exercise of Options that are subject to Disposal Restrictions that have not been satisfied will be Restricted Shares until such time as the Disposal Restrictions are satisfied, removed or lifted in respect of those Shares.
- (b) The Company may implement any procedure it considers appropriate to restrict the Participant from dealing with any Shares acquired by a Participant for as long as those Shares are Restricted Shares.

## **10.5 Ending of Disposal Restrictions**

- (a) Once the period over which the Disposal Restrictions have been imposed under clause 10.1 has been satisfied, or the Disposal Restrictions have been removed or lifted in accordance with clause 10.6 the relevant Shares will become Unrestricted Shares and may be dealt with in accordance with the Rules, the Shareholders Agreement and Security Trading Policies.
- (b) At the time Shares become Unrestricted Shares in accordance with clause 10.5(a), any restriction implemented by the Company in accordance with subclause 10.4(b) will be removed.

## **10.6 Removal of Disposal Restrictions**

- (a) The Board may determine that any Restricted Shares are no longer subject to the Disposal Restrictions and will notify the Participant of such a determination in writing. Following this notification the relevant Shares will become Unrestricted Shares and may be dealt with in accordance with the Rules, the Shareholders Agreement and Security Trading Policies.
- (b) A Participant may request the Board to make a determination to lift or remove the Disposal Restrictions in accordance with subclause 10.6(a) and the Board may determine whether to accept such a request.

## **10.7 Share disposal**

Subject to clause 10.5(b), a Participant must dispose of Shares on his or her own behalf.

A Participant may request in writing that the Company sell Restricted Shares on behalf of the Participant, and the Board may determine whether to accept such a request.

# **11 Dealing**

## **11.1 Sale or dealing**

### **11.1.1 Options**

A Participant must not sell, transfer, encumber or otherwise deal with an Option under this Plan unless otherwise permitted by the Board.

### **11.1.2 Shares**

On exercise of the Option, the Participant may deal with Shares acquired under this Plan in accordance with these Rules and the Shareholders Agreement.

## **11.2 Death**

Notwithstanding clause 11.1, if a Participant dies, any Unrestricted Options of the deceased Participant will lapse in accordance with clause 6.5(a), if not exercised by the deceased Participant's legal representative within a period of 3 months.

## **11.3 Enforcement of no dealing**

The Company may implement any procedure it considers appropriate to restrict the Participant from dealing with any Shares acquired by a Participant for as long as those Shares are Restricted.

# **12 Exercise**

## **12.1 Exercise of Options**

- (a) Subject to subclause 12.1(b), a Participant may exercise some or all of his or her Options provided the Options are Unrestricted Options and the Exercise Conditions have been met. A reference to the exercise of Options in this clause 12 or in any Offer only applies to the exercise of Unrestricted Options that have met the Exercise Conditions.

- (b) If at the time of exercise, the Participant is prevented from buying or selling Shares under the Security Trading Policies the Participant may not exercise his or her Options.
- (c) Options that are Restricted Options may not be exercised until and unless the Conditions have been satisfied, removed or lifted in accordance with these Rules and those Options are Unrestricted Options.

## **12.2 Exercise period**

Options may only be exercised before expiry of the Term and in accordance with this clause 12.

## **12.3 Method of Exercise**

An Option is only exercisable by delivery to the registered office of the Company or such other address as determined by the Board of:

- (a) a signed and completed Notice of Exercise;
- (b) payment of the Exercise Price under subclause 12.5; and
- (c) the Option Certificate or documentary evidence satisfactory to the Board that the Option certificate was lost or destroyed.

## **12.4 Minimum Exercise**

- (a) Options must be exercised in full or in multiples or as the Board otherwise agrees.
- (b) If the Participant exercises less than all of the Options referred to in the Participant's Option Certificate, the Board must issue to the Participant an Option Certificate in respect of the Options not exercised at that time.

## **12.5 Exercise Price – Method of Giving Consideration**

- (a) The Board may determine the form of consideration acceptable to the Company for exercising an Option, including acceptable methods of payment. Subject to the method of consideration being determined as acceptable by the Board, the choice of method used on exercise of an Option will be at the election of the Participant.
- (b) Where permitted by the Board, the Participant may elect to receive the difference between the Market Value of Shares and the Exercise Price in cash or Shares.

## **12.6 Actions on Exercise**

On completion of the exercise of Options the Company must:

- (a) cancel the Option; and
- (b) either:
  - (i) allot and issue or transfer the number of Shares for which the Participant was entitled to subscribe through the exercise of the Option; or
  - (ii) where subclause 12.5(b) applies, pay the Participant cash or allot and issue or transfer the number of Shares the Participant is entitled to subscribe in accordance with subclause 12.5(b).

## 13 Option Buy-back

### 13.1 General Buy-back of Options

- (a) The Company may determine that Options held by a Participant may be Bought-back (in accordance with the requirements of the Constitution and the Corporations Act or Securities Legislation) for:
  - (i) an amount agreed with the Participant at any time; or
  - (ii) without the agreement of a Participant, the amount of the Net Gain applicable to the Option on the day prior to the date on which a Liquidity Event other than an Initial Public Offering, occurs or in the opinion of the Board is about to occur, where the Market Value of a Share is greater than the Exercise Price of an Option.
- (b) Unless determined otherwise by the Board, the Company will not Buy-back Options held by a Participant on or after an Initial Public Offering has occurred.

### 13.2 Buy-back Procedure

Where Options are Bought-back by the Company, the Company must:

- (a) prepare all necessary transfer documents and arrange for an agent or attorney of the Participant to complete the transfer documents on their behalf;
- (b) pay all relevant taxes, duties or other imposts in respect of the transfer other than any taxes, duties or imposts which are for the account of the Participant; and
- (c) cancel the Options which are Bought-back and, where a limit on the number of Options able to be issued under the Plan has been set by the Board the cancelled Options will not be counted in the number of Options issued under the Plan.



### **13.3 Adjustments and other payments on Buy-back**

In the event the Company conducts a Buy-back of Options under these Rules, the Board may make:

- (a) an adjustment to the amount payable to a Participant under subclause 13.1; or
- (b) any other payment;

in order to compensate the Participant in respect of any adverse tax consequences arising in relation to the Buy-back of the Participant's Options.

## **14 Market Value**

### **14.1 Shares not listed on the ASX or a Stock Exchange**

In relation to Shares not listed on the ASX or a Stock Exchange, the Board may determine the manner and basis on which a valuation of a Share is made for the purposes of these Rules, including the choice of a reasonable methodology and the underlying assumptions in applying the chosen methodology.

## **15 Capital Reconstructions**

### **15.1 Applicable period**

This clause 15 applies to Capital Reconstructions that occur during the period from the date of grant of Options until the earlier of:

- (a) the date Options are exercised in accordance with clause 12; or
- (b) the date Options lapse in accordance with clause 6.5.

### **15.2 Adjustment of Options**

- (a) In the event of a Capital Reconstruction the Board may adjust any or all of the number of Options, the number of Shares to be issued on exercise of an Option and the Exercise Price as the Board deems appropriate.
- (b) In the event that the Board cannot practically adjust the options in accordance with subclause 15.2 (a), the Board may determine to provide other benefits to the Participants. The Board has absolute discretion to determine the nature of the benefits to be provided to the Participants in accordance with this subclause.

- (c) Any adjustment made in accordance with subclause 15.2(a) and any benefits provided under subclause 15.2(b) must result in an outcome where the benefits conferred on Participants are the same as (to the extent possible) or better than the benefits conferred on Participants prior to the Capital Reconstruction but will not confer on Participants any benefit to which the shareholders in the Company will not be entitled. This clause 15.2(c) does not prevent a rounding up of the number of Shares the Participant may receive on exercise of an Option if the rounding up is approved at the meeting of shareholders which approves the Capital Reconstruction.

## **16 Rights attaching to Options**

### **16.1 Rights generally**

A Participant is entitled to any rights which accrue to Options held by the Participant and may deal with those rights in accordance with the terms of these Rules and the Offer in respect of those Options.

### **16.2 Options**

Options do not confer an entitlement to receive dividends, to vote at Company meetings or to capital distributions.

### **16.3 Cessation of rights if forfeited**

If Options are forfeited in accordance with clause 8.3, then the Participant will cease to have any of the rights, benefits or entitlements attaching to those Options under this Plan.

### **16.4 Shares acquired on exercise of Options**

Where a Participant acquires Shares on exercise of Options, that Participant is entitled to all rights in respect of those Shares. This includes that a Participant will be entitled to:

- (a) all dividends declared or paid;
- (b) any distributions of capital made; and
- (c) exercise voting rights

in respect of the Shares held by that Participant.

## **17 Rights of Participants**

### **17.1 No effect on contract of employment**

Nothing in these Rules:

- (a) confers on a Participant the right to receive any Options;
- (b) confers on a Participant the right to continue as an employee of the Company or an Eligible Employee;
- (c) affects any rights which the Company may have to terminate the employment of any Eligible Employee who is an employee; or
- (d) may be used to increase damages in any action brought against the Company or in respect of any such termination.

### **17.2 Enforcement of rights**

These Rules, any determination of the Board made pursuant to the Rules, the terms and conditions of any Options granted under the Plan will be deemed to form a contract between the Company and the Participant in a Court of competent jurisdiction. Each party will in addition to damages be able to seek specific performance of the contract between them as far as specific performance is applicable under a court of competent jurisdiction.

### **17.3 Attorney**

- (a) The Participant irrevocably appoints the person who from time to time occupies the position of secretary of the Company (or the secretary's authorised delegate) his attorney to complete and execute any documents including share transfers and to do all acts or things in his name on his behalf which may be convenient or necessary for the purpose of giving effect to the provisions of this Plan.
- (b) The Participant covenants that the Participant will ratify and confirm any act or thing done by pursuant to power granted to the attorney (or the attorney's duly authorised delegate) under subclause 17.3(a) and indemnifies the attorney (or his duly authorised delegate) in respect thereof.

## **18 Applicability of Rules to Participants in particular countries**

### **18.1 Rules**

Subject to clause 18.2, the rules applicable to Participants will comprise the Rules only.

### **18.2 Schedule for Participants in particular countries**

- (a) The Board may determine, by way of a Schedule to this Plan, that special terms and conditions are to apply to Participants located in or connected with a particular country for the purposes of the Plan;
- (b) If the Board determines that a Schedule will apply in accordance with subclause 18.2(b), then the rules applicable to such Participants will comprise the Rules as revoked, supplemented or varied by the terms and conditions set out in the Schedule applicable to that country. To the extent of any inconsistency between the Rules and a Schedule, the Schedule prevails.

## **19 Administration of the Plan**

### **19.1 Management by Board**

- (a) The Plan will be administered by the Board in accordance with these rules, the Constitution and any applicable laws.
- (b) No act will be done or determination made in accordance with these Rules where to do so would be a breach of any applicable laws, Listing Rules where the Company is listed, or the constituent documents of the Company and, where any such act is done or determination made, it will be considered void and to the extent possible be unwound and of no effect in respect of the Shares.
- (c) Every exercise of a power or discretion by the Company or the Board and any decision by the Company or the Board regarding the interpretation, effect or application of these Rules:
  - (i) is made at its absolute and sole discretion;
  - (ii) may be made at any time; and
  - (iii) is final, conclusive and binding.

- (d) The Board may exercise any power or discretion conferred on them by these Rules in the interest or for the benefit of the Company, and in so doing the Board is not required to act in the interests of another person or as requested by another person and will not be under any fiduciary obligation to another person.

### **19.2 Delegation of power by Board**

- (a) The Board may delegate some or all of its powers and functions under the Plan to a person or to a committee of two or more persons.
- (b) Where the Board has delegated a power or function pursuant to subclause 19.2(a) to a person or to a committee, references in this Plan to the Company or Board in relation to that power or function will be read as references to that person or committee, as the case may be.

## **20 Listing Rules**

### **20.1 Listing of Options**

Options issued under the Plan must not be quoted on the ASX or a Stock Exchange.

### **20.2 Application of Listing Rules**

On the Company being admitted to the list of companies quoted on the ASX or a Stock Exchange, the provisions of the Listing Rules apply to the Plan, and to the extent that the Plan and the Rules are inconsistent, the Listing Rules apply.

### **20.3 Listing of Shares**

Shares to be issued to any Participant upon exercise of an Option in accordance with this Plan may not be quoted on any stock exchange on which the Shares of the Company are quoted until the Option is exercised, at which time the Company must, if it is Listed, apply to the ASX or Stock Exchange (and any other stock exchange on which the Shares of the Company are quoted) for, and will use its best endeavours to obtain, quotation for those Shares.

## 21 Amendment of Plan

### 21.1 Amendments

Subject to clause 21.2, the Board may add to, repeal, amend, alter or vary any or all of the provisions of these Rules in writing in any respect whatsoever, including the rights or obligations of the Participant.

### 21.2 No reduction of rights

No addition, repeal, amendment, alteration or variation of these terms and conditions will:

- (a) without the Participant's consent in writing, materially reduce the Participant's accrued benefits or entitlements as they existed before the date of the amendment;
- (b) without the Participant's consent in writing, impose additional obligations on the Participant in respect of Shares that have already been issued; or
- (c) repeal, amend, alter or vary this clause,

unless the addition, repeal, amendment, alteration or variation is introduced primarily:

- (d) for the purpose of complying with or conforming to present or future laws or regulating the maintenance or operation of the plan or like plans;
- (e) to correct any manifest error or mistake; or
- (f) to enable the Plan or the Company or a Subsidiary to comply with the Corporations Act, the Listing Rules or its Constitution.

### 21.3 Retrospective effect

Any amendment made pursuant to clause 21.1 may be given such retrospective effect as is specified in the written instrument or resolution by which the amendment is made.

## 22 Notices

### 22.1 Address for notices

Any notice given under or for the purposes of these terms and conditions will be given in writing, signed, and addressed to:

- (a) in the case of the Company – "The Secretary, c/- Bellamy's Australia Limited, 54 Tamar Street, Launceston Tas 7250 (or such other address as is nominated by the Company); or

- (b) in the case of an Eligible Employee – the Eligible Employee or the Participant at the address nominated by the Eligible Employee or the Participant.

## **23 Duration and termination of the Plan**

- (a) The plan continues in operation until the Board determines the Plan is terminated or discontinued.
- (b) The Board may decide to terminate or suspend the operation of the Plan either for a fixed period or indefinitely and may also decide to end any period of suspension.
- (c) If the Plan terminates or is discontinued under subclauses 23(a) or (b) for any reason, that does not prejudice the accrued rights of the Participants.

## **24 Governing law**

These terms and conditions will be governed by, and construed in accordance with, the laws of Tasmania and the Eligible Employee or Participant and the Company agree to submit to the non-exclusive jurisdiction of the courts of Tasmania and any courts hearing appeals from those courts.