

Tax Exempt Plan Rules

Huon Aquaculture Group Limited
Company

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Tax Exempt Plan Rules

Background

- A. The purpose of the Plan is to increase employee motivation and create a stronger link between increasing shareholder value and employee reward by providing employees with the opportunity to participate in the growth of the Company.
- B. The Plan is designed to permit employees of the Group Companies to participate, at the invitation of the Company, in the acquisition of Shares.

Operative provisions

1. Definitions and interpretation

1.1 Definitions

In these Rules:

ASIC means Australian Securities and Investment Commission.

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.

Board means the board of directors of the Company, any committee of the Board or a duly authorised person or body to which the Board has delegated its powers under this Plan.

Company means Huon Aquaculture Group Limited, ACN 114 456 781.

Corporations Act means Corporations Act 2001 (Cth).

Dealing means in relation to a Performance Right or a Share (as the case may be), any dealing, including but not limited to:

- (a) a sale, transfer, assignment, trust, encumbrance, option, swap, any alienation of all or any part of the rights attaching to the Share;
- (b) any attempt to do any of the actions set out in paragraph (a); and
- (c) any hedging or dealing with a derivative instrument intended to limit the economic risk associated with holding a Share.

Employee means a person employed by a Group Company or any other person the Board in its discretion determines to be eligible to participate in the Plan.

Grant Date means the date on which the Shares are allocated to an Employee under the Plan.

Group Company means the Company, its Subsidiaries and any other entity declared by the Board to be a member of the group for the purposes of the Plan.

Invitation means an invitation to an Employee made by the Board under Rule 2.1 to apply for, or participate in a grant of, Performance Rights.

Listing Rules means the official Listing Rules of the ASX as they apply to the Company from time to time.

Non-discriminatory Basis has the meaning given to that term in section 83A-35(6) of the Tax Act.

Participant means an Employee whose application to participate in the Plan has been accepted and who is allocated Shares under the Plan.

Plan means the Huon Aquaculture Limited Tax Exempt Share Plan as set out in these Rules, subject to any amendments or additions made under Rule 9.

Restricted Share means a Share allocated under the Plan that is subject to restrictions under Rule 7.

Share means a fully paid ordinary share in the capital of the Company allocated under this Plan.

Subsidiary means a body corporate which is a subsidiary of the Company within the meaning given in section 9 of the Corporations Act.

Takeover Bid has the meaning given in section 9 of the Corporations Act.

Tax Act means the Income Tax Assessment Act 1997 as amended or replaced from time to time.

Trustee means the person or entity nominated by the Board from time to time which may hold contributions from Group Companies and Shares on trust for the persons or classes of persons as set out in these Rules on the terms and conditions set out in these Rules and the trust deed.

1.2 Interpretation

In these Rules:

- (a) headings are for convenience only and do not affect interpretation;

and unless the context indicates a contrary intention:

- (b) "**person**" includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (c) a reference to a document (including these Rules) is to that document as varied, novated, ratified or replaced from time to time;
- (d) a reference to a statute includes its delegated legislation and a reference to a statute or delegated legislation or a provision of either includes consolidations, amendments, re-enactments and replacements;
- (e) a word importing the singular includes the plural (and vice versa), and a word indicating a gender includes every other gender;
- (f) a reference to a party, clause, schedule, exhibit, attachment or annexure is a reference to a party, clause, schedule, exhibit, attachment or annexure to or of these Rules, and a reference to these Rules includes all schedules, exhibits, attachments and annexures to it;
- (g) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (h) "**includes**" in any form is not a word of limitation; and

- (i) a reference to "\$" or "dollar" is to Australian currency.

2. Invitation and acceptance

2.1 Board discretion to make invitations

- (a) The Board may, from time to time, at its discretion, invite Employees to participate in the grant of Shares upon the terms set out in the Plan and upon such additional terms as the Board determines. Such an Invitation may:
- (i) subject to Rule 2.1(c), be in any form;
 - (ii) relate to a specified number or specified value of Shares;
 - (iii) be on any conditions as the Board determines, including that the Employee agree to sacrifice an amount of salary or bonus or other amount in relation to the acquisition of the Shares; and
 - (iv) be subject to any restrictions as the Board determines, including the imposition of restrictions relating to disposal of or dealing with the Shares.
- (b) The Board is not obliged to make Invitations of the same number of Shares to all Employees.
- (c) Without in any way limiting the Board's discretion, an Invitation should provide the following information:
- (i) the number or value of Shares being offered;
 - (ii) the method of determining the price (if any) at which Shares will be offered;
 - (iii) the amount (if any) that will be payable upon the grant of Shares;
 - (iv) the period (if any) for which Shares are Restricted Shares;
 - (v) the final date for receipt of applications or elections not to participate (as the case may be);
 - (vi) instructions in relation to accepting an Invitation to participate in the Plan; and
 - (vii) any other terms and conditions which apply to the invitation or are attached to the Shares allocated under the Plan.

2.2 Eligibility

An Employee is only eligible to apply for participation in the Plan and:

- (a) to purchase existing Shares; or
- (b) be issued with new Shares,

under the Plan if he or she has satisfied criteria the Board from time to time decides for participation in the Plan, which may, without limiting the powers of the Board, include a minimum period of service or that he or she remain an Employee at the allocation date of Shares under the Plan.

2.3 Price of Shares

The Board may determine the price at which Shares will be offered to an Employee. Shares will be granted at no cost to the Participant unless the Board determines that some other price is appropriate.

2.4 Conditions

- (a) The Company must offer Shares under the Plan, or implement any scheme for the provision of financial assistance in respect of the acquisition of Shares under the Plan, on a Non-Discriminatory Basis.
- (b) An Invitation must not have any conditions that could result in a Participant forfeiting ownership of Shares acquired under the Plan.

2.5 Acceptance of an Invitation

- (a) Acceptance of an Invitation must be made in accordance with the instructions which accompany the Invitation, or in any other way the Board determines.
- (b) The Board may accept or reject any application in its discretion.
- (c) If a person ceases to satisfy the eligibility requirements under Rule 2.2 on or before the allocation of the Shares under Rule 3, that person is not entitled to receive the Shares under the Plan.
- (d) By accepting an Invitation the Employee is deemed to have agreed to be bound by:
 - (i) the terms of the Invitation;
 - (ii) these Rules; and
 - (iii) the constitution of the Company.

3. Allocation

3.1 Board to allocate Shares

- (a) Subject to the conditions of the Invitation and upon acceptance of an Invitation under Rule (a), the Company must as soon as practicable, issue to, or procure the transfer to the Participant, of Shares.
- (b) Unless the Board determines otherwise:
 - (i) no payment is required for the grant of a Share; and
 - (ii) Shares may not be registered in any name other than that of the Employee, unless the Board determines otherwise.

3.2 Share ranking

For the avoidance of doubt, all Shares allocated under the Plan will rank equally in all respects with other Shares of the same class for the time being on issue by the Company except as regards any rights attaching to such Shares by reference to a record date prior to the date of their issue.

3.3 Limitation on allocations

Notwithstanding any other provision of these Rules, a person may not purchase or be issued Shares under the Plan if it appears to the Board that doing so would contravene these Rules, the Company's constitution, the Corporations Act, the Listing Rules, instruments of relief issued by ASIC from time to time relating to employee share schemes which the Company is relying on, any law of a jurisdiction in which the person resides or, at the Board's discretion, would give rise to unreasonable cost or regulatory requirements for the Company.

3.4 Listing of Shares on ASX

If shares of the Company in the same class as the Shares are quoted on ASX, the Company will apply to the ASX for quotation of Shares issued under the Plan at the end of the restriction period (if any) applicable to the Shares, unless otherwise required by the Listing Rules.

4. Trustee

4.1 Methods of Share Acquisition

Shares may be acquired for the purposes of the Plan in any way lawfully permitted, including:

- (a) by way of allotment and issue of Shares by the Company to the Participant or Trustee; or
- (b) by the Company or Trustee making an On-Market Acquisition.

4.2 Appointment of trustee

The Company may appoint a Trustee, on terms and conditions that it considers appropriate, to do all such things and perform all such functions as considered appropriate to enable the implementation of the Plan, including to acquire and hold Shares, or other securities of the Company, on behalf of Participants, for transfer to future Participants or otherwise for the purposes of the Plan.

5. Funding and acquisition

5.1 Board discretion

The Board may at any time decide that an Invitation should be made under the Plan, and that:

- (a) all, or any, Group Companies should pay specified amounts under the Plan, in respect of that invitation and that each such Group Company will pay that amount as directed by the Company for this purpose;
- (b) Participants should pay specified amounts under the Plan as directed by the Company in respect of an invitation under the Plan; and
- (c) the Company may provide additional benefits in the form of Shares for any Participant based on the level of their participation on such terms as the Board determines.

5.2 Acquisition

- (a) Amounts paid by a Group Company or by a Participant in accordance with Rule 5.1 are to be applied in acquiring Shares for allocation to Participants, whether:
 - (i) by subscribing for new Shares to be issued by the Company; or

- (ii) by purchasing existing Shares (whether on ASX, or otherwise), as directed by the Board.
- (b) A determination to subscribe for or purchase Shares will only be effective if the funds referred to in rule 5.1 are provided.

5.3 Advice to Participants

Each Participant will be advised of the number of Shares that have been allocated to him or her as soon as reasonably practicable following the date of allocation of the Shares.

5.4 Transaction costs

The Company is authorised, but not required, to bear all brokerage, commission, stamp duty or other transaction costs payable in relation to the acquisition of Shares by the Participants under the Plan.

6. Entitlement to shares

- (a) Each Participant has a legal and beneficial interest in the Shares allocated to him or her pursuant to the Plan, except that any dealings with those Shares by the Participant may be restricted as provided in these Rules.
- (b) Shares cannot be forfeited by the Participant for any reason.
- (c) For the avoidance of doubt, from the Grant Date, a Participant will have the full benefit of rights attaching to those Shares such as the right to vote and right to receive dividends, notwithstanding any restrictions on Dealing imposed under Rule 7.

7. Restriction on disposal of Shares

7.1 Restriction Period

- (a) A Share allocated to a Participant will be a Restricted Share until the earlier of:
 - (i) the end of 3 years after the date of allocation (or such other period as may be required for tax exemption under Subdivision 83A-B of the Tax Act; and
 - (ii) the time when the Participant ceases to be employed by a Group Company within the meaning of section 83A-330 of the Tax Act.
- (b) The Board may, in any circumstances and from time to time, determine another period permitted by relevant legislation for the purposes of Rule 7.1(a)(i).

7.2 No disposal while Shares restricted

- (a) A Participant must not Deal or purport to Deal with any Shares acquired under the Plan while they are Restricted Shares.
- (b) Participant must not to take any action or permit another person to take any action to remove any restriction procedure imposed by the Company under Rule 7.3.

7.3 Enforcement of Restriction Period

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

Restricted Shares, including through the imposition of a holding lock or requiring that the Shares be held in trust on behalf of a Participant.

7.4 Lapse of restrictions attaching to Shares

When a Share ceases to be a Restricted Share, all restrictions on Dealing or purporting to Deal with that Share provided in or under these Rules will cease.

8. Corporate actions

8.1 Reconstructions

Subject to the Listing Rules, if the Company reconstructs its capital in any way, Shares acquired under the Plan will be affected in the same way as other Shares.

8.2 Takeovers

If a Takeover Bid is made the Board may, in its discretion and having regard to applicable tax legislation, determine that any restrictions imposed in accordance with Rule 7 cease at a time determined by the Board, subject to such a change not breaching the tax exemption requirements of Subdivision 83A- B of the Tax Act.

8.3 Mergers

If the Company merges with another company, the Board may, in its discretion and having regard to applicable tax legislation, determine that any restrictions imposed in accordance with Rule 7 applying to Shares affected by the change, cease at a time determined by the Board, subject to such a change not breaching the tax exemption requirements of Subdivision 83A- B of the Tax Act.

9. Administration of the Plan

9.1 Board powers

- (a) The Plan is administered by the Board which has power to:
 - (i) determine appropriate procedures for administration of the Plan consistent with these Rules, including the form of application and other forms and notices to be issued under the Plan, and other such matters so as to implement an employee share trust for the purposes of delivering and holding Shares on behalf of Participants;
 - (ii) 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;
 - (iii) resolve conclusively all questions of fact or interpretation concerning the Plan and these Rules and any dispute of any kind that arises under the Plan, including as to the interpretation of the Plan or any restrictions or other conditions relating to any Shares allocated under the Plan, and the decision of the Board is final and binding upon all persons;
 - (iv) subject to the Listing Rules and Rule 10.2, amend, add to or waive all or any of the provisions of the Plan (including this rule), or any restriction or other condition relating to any Shares allocated under the Plan; and
 - (v) waive any breach of a provision of the Plan.

- (b) Except as otherwise expressly provided in the Plan, the Board has absolute and unfettered discretion to act or refrain from acting under or in connection with the Plan and in the exercise of any power or discretion under the Plan.

9.2 Non-residents of Australia

The Board may adopt additional rules of the Plan applicable in any jurisdiction outside Australia under which Shares offered under the Plan may be subject to additional or modified terms, having regard to any securities, exchange control or taxation laws or regulations or similar factors which may apply to the Participant or to any Group Company in relation to the Shares. Any additional rule must conform to the basic principles of the Plan.

9.3 Waiver of terms and conditions

Notwithstanding any other provisions of the Plan, the Board may at any time waive in whole or in part any terms or conditions (including any Performance Condition) in relation to any Performance Rights granted to any Participant.

9.4 Dispute or disagreement

In the event of any dispute or disagreement as to the interpretation of the Plan, or as to any question or right arising from or related to the Plan or to any Performance Rights granted under it, the decision of the Board is final and binding.

9.5 Liability

The Group Companies and their respective directors and officers are not liable for anything done or omitted to be done by such person or any other person with respect to:

- (a) the price, time, quantity or other conditions and circumstances of the acquisition, custody or sale of Shares;
- (b) any fluctuations in the market price of Shares; and
- (c) anything done in connection with the Plan,

except for the dishonesty, fraud or wilful default of such person.

9.6 Data protection

By participating in the Plan, the Participant consents to the holding and processing of personal data provided by the Participant to the Company for all purposes relating to the operation of the Plan. These include, but are not limited to:

- (a) administering and maintaining Participant records;
- (b) providing information to trustees of any employee benefit trust, registrars, brokers or third party administrators of the Plan; and
- (c) providing information to future purchasers of the Company or the business in which the Participant works.

9.7 Connection with other schemes

- (a) A Group Company is not restricted to using the Plan as the only method of providing incentive rewards to employees and may approve and introduce other incentive schemes.
- (b) Participation in the Plan does not affect participation in any other incentive or other scheme of the Group Companies unless that other scheme provides otherwise.

10. Amendments to the Plan

10.1 Power to make amendments

- (a) Subject to Rule 10.2, the Board may at any time by resolution:
 - (i) amend all or any of the provisions of the Plan; or
 - (ii) amend the terms or conditions of any Performance Right granted under the Plan.
- (b) Notwithstanding Rule 10.2, the Board may waive, amend or replace any performance measure in a Performance Condition attaching to a Performance Right if the Board determines that the original Performance Condition is no longer appropriate or applicable (for instance, if a particular stock market index is no longer published, there are extraneous economic circumstances or there is a corporate action, including a discounted rights issue, which impacts on the performance measure), provided that the interests of the relevant Participant are not, in the opinion of the Board, materially prejudiced or advantaged relative to the position reasonably anticipated at the time of the grant.

10.2 Restrictions on amendments

Subject to these Rules, without the consent of the Participant, no amendment may be made to any restriction or other condition relating to any Shares allocated under the Plan, which reduces the rights of Participants to those Shares, other than an amendment made primarily:

- (a) for the purposes of complying with or conforming to present or future laws governing or regulating the maintenance or operation of the Plan or similar plans, in any jurisdiction in which invitations under the Plan have been made;
- (b) to correct any manifest error or mistake; or
- (c) to take into consideration possible adverse tax implications in respect of the Plan arising from, among other things:
 - (i) adverse rulings from a taxation authority;
 - (ii) changes to tax legislation (including an official announcement by the Commonwealth of Australia); or
 - (iii) changes in the interpretation of tax legislation by a court or tribunal of competent jurisdiction.

10.3 Termination or Suspension of the Plan

- (a) The Board may, at any time, terminate or suspend the Plan.
- (b) The termination or suspension of the Plan will not prejudice the existing rights of Participants.
- (c) A Participant may not claim any compensation as a result of termination or suspension of the Plan.

11. Rights and obligations of Participant

- (a) Unless the subject of an express provision in an employment contract, the rights and obligations of a Participant under the terms of his or her office, employment or

contract with a Group Company are not affected by his or her participation in the Plan.

- (b) These Rules do not form part of and are not be incorporated into any contract of a Participant (whether or not they are an employee of a Group Company).
- (c) Nothing in these Rules:
 - (i) confers on any Employee the right to participate in the Plan;
 - (ii) confers on any Employee or Participant the right to continue as an employee of a Group Company;
 - (iii) affects any rights which a Group Company may have to terminate the employment of an Employee; or
 - (iv) may be used to increase damages in any action brought against a Group Company in respect of such termination of employment.
- (d) The allocation of Shares on a particular basis in any year does not create any right or expectation of the allocation of Shares on the same basis, or at all, in any future year.
- (e) No Participant has any right to compensation for any loss in relation to the Plan, including:
 - (i) any loss or reduction of any rights or expectations under the Plan in any circumstances or for any reason (including lawful or unlawful termination of employment or the employment relationship);
 - (ii) any exercise of a discretion or a decision taken in relation to the Plan or any failure to exercise a discretion under these Rules; or
 - (iii) the operation, suspension, termination or amendments of the Plan.

12. Notices

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

- (ii) by facsimile or email, it is deemed to have been received on completion of transmission.

13. Governing law

The Rules are governed by and must be construed according to the law applying in Tasmania.