



Baby Bunting Group Limited
Long Term Incentive Plan – Plan Rules

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**BABY BUNTING GROUP LIMITED LONG TERM INCENTIVE PLAN
PLAN RULES**

1. DICTIONARY

1.1 Definitions

In these Rules, the following definitions apply.

ASIC means the Australian Securities and Investments Commission.

ASIC Class Order means ASIC Class Order [CO 14/1000] or any individual instrument of relief granted by ASIC to the Company equivalent to that Class Order.

ASX means the Australian Securities Exchange or ASX Limited (ABN 98 008 624 691), as the context requires.

ASX Listing Rules means the listing rules of ASX.

Board means all or some of the Directors acting as a board or a committee of the Board appointed for the purposes of this Plan or these Rules.

Business Day means a day which is not a Saturday, Sunday or public holiday in Victoria or any other day that ASX declares is not a business day.

Company means Baby Bunting Group Limited ACN 128 533 693.

Constitution means the constitution of the Company.

Control has the meaning given to that term in section 50AA of the Corporations Act.

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

Director means a director of the Company.

Disposal Restriction means, in relation to a Right or a Share acquired upon exercise of the Right, the restrictions specified in the Offer for the Right or the Share, as the case may be.

Eligible Employee means an Employee whom the Board determines is to receive an Offer under this Plan.

Employee means a person who is a permanent full-time or part-time employee of a member of the Group, but for the purpose of this Plan excludes non-executive Directors.

Encumbrance means:

- (a) any other mortgage, pledge, lien or charge;
- (b) an easement, restrictive covenant, caveat or similar restriction over property; or
- (c) any other interest or arrangement of any kind that in substance secures the payment of money or the performance of an obligation, or that gives a creditor priority over unsecured creditors in relation to any property.

Group means the Company and its related bodies corporate, and **Group Company** has the corresponding meaning.

Lapsing Date means, in respect of a Right the date as detailed in an Offer, or any other date provided for in these Rules, at which a Right lapses.

Marketable Parcel has the meaning given to that term in the ASX Listing Rules.

Offer means an offer made to an Eligible Employee to be provided with one or more Rights under this Plan.

Participant means an Eligible Employee to whom Rights have been granted under this Plan.

Plan means the Baby Bunting Group Limited Long Term Incentive Plan established in accordance with these rules.

Quoted means official quotation of securities on ASX.

Record Date has the meaning given to that term in the ASX Listing Rules.

Restricted Share means a Share provided subsequent to the exercise of Rights by a Participant which is subject to Disposal Restrictions.

Right means either:

- (a) an option granted pursuant to these Rules to acquire one Share; or
- (b) a right granted pursuant to these Rules to acquire one Share,

subject to the terms of these Rules and the terms of the Offer.

Right Exercise Price means in respect of a Right, the price per Share specified in the Offer made in respect of that Right.

Rules means the rules of this Plan set out in this document.

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

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.

Tax Act means the *Income Tax Assessment Act 1997* (Cth) and the *Income Tax Assessment Act 1936* (Cth), jointly or as applicable.

Trust means the "Baby Bunting Employee Share Plan Trust" established by the Trust Deed, being an employee share trust established by the Company.

Trust Deed means the trust deed executed by the Company and the Trustee on 21 September 2015.

Trustee means Baby Bunting EST Pty Ltd ACN 608 174 376, who has agreed to act as trustee of the Trust on the terms and conditions set out in the Trust Deed or any new trustee appointed by the Company under the terms of the Trust Deed.

Vesting Condition means in respect of a Right any condition set out in the Offer which must be satisfied (or waived) before that Right becomes vested in a Participant for the purpose of these Rules.

1.2 Rules for interpreting this document

Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to:
 - (i) legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (ii) a document (including this document) or agreement, or a provision of a document (including this document) or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
 - (iii) a party to this document or to any other document or agreement includes a permitted substitute or a permitted assign of that party;
 - (iv) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
 - (v) anything (including a right, obligation or concept) includes each part of it.
- (b) A singular word includes the plural, and vice versa.
- (c) A word which suggests one gender includes the other genders.
- (d) If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
- (e) The expressions **related body corporate**, **relevant interest**, **takeover bid** and **voting power** have the same meanings as in the Corporations Act.
- (f) If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
- (g) A reference to **"dollars"** or **"\$"** is to Australian currency.

2. OBJECT

- (a) The Plan is to assist in the recruitment, reward, retention and motivation of Employees by providing the Board with the ability to offer a long-term incentive to an Employee in the form of the grant of Rights under this Plan.
- (b) Under this Plan, Eligible Employees may be entitled to exercise Rights subject to:
 - (i) the achievement of certain terms and conditions (including performance and service conditions); or
 - (ii) the satisfaction of any restrictions (including Disposal Restrictions),that the Board may determine from time to time.

3. **OFFERS UNDER THIS PLAN**

3.1 **Offers to Eligible Employees**

The Board may from time to time, in its absolute discretion, decide to make an Offer to any Eligible Employee and may determine the terms of the Offer, including:

- (a) the number of Rights to be granted; and
- (b) the Vesting Conditions (if any) imposed on the right of a Participant to exercise any Right granted.

3.2 **Form of Offer**

Each Offer must be in writing and:

- (a) specify the Eligible Employee to whom the Offer is made;
- (b) specify the form of the Right (that is, either an option or a right);
- (c) specify the number of Rights being offered (or formula for calculation of such number);
- (d) specify the Right Exercise Price (if any) (provided however, that to the extent the ASX Listing Rules specify or require a minimum price, the Right Exercise Price in respect of an Offer made while the Shares are Quoted must not be less than any minimum price specified in the ASX Listing Rules);
- (e) state that no amount is payable on the grant of any Right;
- (f) specify the date by which the Offer must be accepted and the manner of acceptance of the Offer;
- (g) the Vesting Conditions and any other restrictions on a Participant's right to exercise Rights and any Disposal Restrictions;
- (h) include any undertakings or information that are required by the ASIC Class Order in connection with the Offer and be accompanied by a copy, or a summary of, these Rules; and
- (i) otherwise be on terms which the Board may, in its discretion from time to time, determine.

3.3 **Offers are personal**

An Offer is personal to the Eligible Employee to whom it is made. Rights (and Shares acquired upon exercise of Rights) will be recorded or registered in the name of the Participant, unless the Board determines otherwise if permitted by law.

3.4 **Consideration for grant of Rights**

An Eligible Employee does not have to pay money or give other consideration for the grant of a Right. Unless otherwise determined by the Board and specified in the Offer, the consideration for the grant of a Right to an Eligible Employee is the services expected of an Eligible Employee to or for the benefit of the Group (and any other consideration given by the Eligible Employee).

3.5 **Plan limits – ASIC Class Order**

The Company must not make an Offer if making the Offer would breach any Issue Limit set out in any ASIC Class Order applying to employee incentive schemes (if that ASIC Class Order is applicable to this Plan).

For the purpose of this rule, **Issue Limit** means the limit specified in the ASIC Class Order on the number of offers of eligible products that can be made by the Company relying on the ASIC Class Order.

4. **GRANT OF RIGHTS**

4.1 **Acceptance**

- (a) Subject to rule 4.1(c), to accept an Offer, an Eligible Employee must on or before the closing date stated in the Offer (or any later date the Company allows for that application) do what is specified in the Offer to accept it.
- (b) By accepting an Offer, a Participant agrees to:
 - (i) be bound by the terms of the Offer and these Rules and the Constitution; and
 - (ii) if Shares are acquired upon exercise of the Rights, become a member of the Company.
- (c) The Company has a discretion whether to treat an Offer as being accepted and an Offer will not be treated as accepted if:
 - (i) the person to whom an offer was made is not an Employee at the time; or
 - (ii) either the Company or the Employee has given notice terminating the Employee's employment prior to the date specified in the Offer for acceptance.

4.2 **Register**

Upon granting Rights to a Participant, the Company must:

- (a) record details of the Rights in a register of holders of Rights maintained by the Company; and
- (b) issue the holder a holding statement or other record of the number of Rights granted to the Participant.

5. **NO TRANSFER OF RIGHTS**

5.1 **No Listing**

The Rights will not be listed on any securities exchange.

5.2 **No transfer or encumbrance**

Each Right is personal to the Participant and:

- (a) is not transferable, transmissible or assignable; and
 - (b) must not be Encumbered,
- except in accordance with rule 9.3.

6. WHEN RIGHTS MAY BE EXERCISED

6.1 Vesting

- (a) A Participant will be entitled to exercise Rights granted as a result of an Offer in respect of which all Vesting Conditions have been satisfied (or waived by the Company) and which are otherwise capable of exercise in accordance with the terms of the relevant Offer and the Rules.
- (b) The Company will determine whether the Vesting Conditions for a Right have been satisfied in accordance with the terms of the Offer and must give written notice to the Participant stating the number of Rights that have become exercisable. The Company must use reasonable endeavours to issue the written notice as soon as practicable days after the time specified in the Offer applicable to the Vesting Condition.

6.2 Exercise

- (a) A Participant may only exercise Rights that are entitled to be exercised by delivery to the Company (at a time when the Rights may be exercised) of:
 - (i) a notice addressed to the Company and signed by the Participant stating that the Participant exercises the Rights and specifying the number of Rights which are exercised; and
 - (ii) payment, made payable to the Trustee, of an amount equal to the Right Exercise Price multiplied by the number of Rights which are being exercised, unless there is no Exercise Price payable in respect of the Rights to be exercised.
- (b) Once a Right is capable of exercise in accordance with this rule 6, it:
 - (i) may be exercised at any time up until 5.00pm in Melbourne on the day that is no later than seven years after the date of grant of the Right; and
 - (ii) must be exercised where required by rule 8 or 9.
- (c) Rights:
 - (i) must be exercised in one parcel where the Right Exercise Price is nil; and
 - (ii) may otherwise be exercised in one parcel equal to the total number of Rights which are then exercisable, or in several parcels which, when aggregated, equal the total number of Rights which are then exercisable, provided that the number of Shares to be provided to a Participant upon exercise of the number of Rights in any parcel is not less than a Marketable Parcel.

6.3 Acquisition of Shares

If the items specified in rule 6.2 are delivered in accordance with that rule, subject to the ASX Listing Rules (if relevant):

- (a) within 10 Business Days of delivery of the documents referred to in rule 6.2 (or such other time as determined by the Board), the Company will give notice in writing instructing the Trustee to subscribe for, acquire or allocate to the Participant the Shares credited as being fully paid in respect of which the Rights are exercised together with any additional Shares an entitlement to which has arisen under rule 11 in consequence of the exercise of the Rights;

- (b) upon receipt of an instruction in writing under rule 6.3(a) the Trustee shall as soon as practicable after receipt of that notice, subscribe for, acquire or allocate, the Shares credited as being fully paid in respect of which the Rights are exercised together with any additional Shares an entitlement to which has arisen under rule 11 in consequence of the exercise of the Rights, and the Trustee will hold those Shares as trustee for and on behalf of the Participant as beneficial owner subject to the terms and conditions of the Trust Deed;
- (c) as soon as practicable following the acquisition by the Trustee of Shares in accordance with rule 6.3(b), the Trustee shall transfer to the Participant the Shares allocated to and held by the Trustee on behalf of that Participant, subject to any Disposal Restrictions that apply to those Shares (in which case the Trustee may continue to hold those Shares in accordance with the terms of the Trust); and
- (d) if any Rights which have not lapsed remain unexercised, the Company will deliver to the Participant a replacement holding statement reflecting the number of those Rights which remain unexercised.

6.4 Beneficial owner of Shares

From and including the date of acquisition by the Trustee of Shares in accordance with rule 6.3(b), the Participant will:

- (a) be the beneficial owner of those Shares; and
- (b) be absolutely and indefeasibly entitled to any dividends paid in respect of those Shares;
- (c) subject to any Disposal Restrictions, the Corporations Act, the Constitution and, while the Shares are Quoted, the ASX Listing Rules, be entitled to deal with those Shares as the beneficial owner.

6.5 Equal rank

A Share issued by the Company to the Trustee in connection with the exercise of a Right will rank equally in all respects with Shares already on issue on the date of exercise of the Right, except for entitlements which had a Record Date before the date of issue of that Share.

6.6 Quotation

While the Shares are Quoted, the Company will make application for Shares which are issued upon exercise of a Right to be Quoted in accordance with the ASX Listing Rules but for the avoidance of doubt may delay such application until the time that they are no longer Restricted Shares in accordance with the ASX Listing Rules.

7. LAPSE

Subject to the terms of the Offer made to a Participant, a Participant's Rights will lapse on the earlier of:

- (a) the expiry of the period for the exercise of the Right under clause 6.2;
- (b) if the Vesting Conditions have not been satisfied (or waived) or are unable to be met by the relevant time specified in the Offer, the date the Board gives notice to that effect under rule 6.1(b)6.1(b);
- (c) in accordance with clause 9;

- (d) if the Board becomes aware of circumstances which, in the reasonable opinion of the Board indicate that the Participant has acted fraudulently, dishonestly or in a manner which is in breach of his or her obligations to the Company or any Group Member and the Board (in its absolute discretion) determines that the Right lapses; or
- (e) if the Company commences to be wound up and the Board has not otherwise exercised its discretion under rule 8.

8. TAKEOVERS AND ARRANGEMENTS

If:

- (a) a takeover bid is made to the Company's shareholders to acquire their Shares and:
 - (i) the Board recommends that a takeover bid be accepted; or
 - (ii) a takeover bid is declared unconditional;
- (b) a Court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
- (c) any person becomes bound or entitled to acquire shares in the Company under:
 - (i) section 414 of the Corporations Act; or
 - (ii) Chapter 6A of the Corporations Act;
- (d) the Board concludes that there has been a change in Control of the Company;
- (e) the Company passes a resolution for voluntary winding up; or
- (f) an order is made for the compulsory winding up of the Company,

then:

- (g) in respect of Rights that have not yet become exercisable, the Board may, in its absolute discretion, resolve that some or all of the unexercised Rights (whether vested or not) will be exercisable. The Board's discretion includes a discretion to determine that any relevant Vesting Condition is to be tested at the time and that the number of Rights that may be exercised is to reflect the extent to which any relevant Vesting Condition is (or may have been) satisfied or the period during which the Rights have been held; and
- (h) in respect of Rights that are exercisable, the Board must resolve that the all of the unexercised Rights are to be exercised within the time specified by the Board.

9. TREATMENT ON CEASING EMPLOYMENT

9.1 Ceasing employment after Vesting Conditions satisfied

If a Participant ceases to be an Employee after a Right has become exercisable (and before the Lapsing Date) (the date of cessation of employment being the **Cessation Date**), the Participant will be entitled to exercise Rights granted as a result of an Offer in accordance with the terms of the Offer and the Rules, for a period of up to 60 days after the Cessation Date, after which the Participant's Rights will lapse immediately and all rights in respect of those Rights will end.

9.2 Ceasing employment before the Vesting Conditions are satisfied

- (a) If a Participant ceases to be an Employee before a Right has become exercisable due to:
 - (i) resignation (other than due to serious illness or total permanent incapacitation (as determined by the Board));
 - (ii) a Group Member exercising a right to terminate the Participant's employment with immediate effect; or
 - (iii) any other circumstance (other than serious illness or total permanent incapacitation (as determined by the Board), or genuine redundancy or any other a circumstance determined by the Board),then all Rights granted to the Participant will lapse on the Cessation Date, unless the Board determines otherwise.
- (b) If a Participant ceases to be an Employee before a Right has become exercisable due to a reason other than a reason referred to in rule 9.2(a), then:
 - (i) the Participant will be entitled to retain a proportion of the Rights (equal to the proportion of the time elapsed in respect of any applicable Vesting Condition (or such other time as the Board may determine) however the time for assessing whether any applicable Vesting Condition has been satisfied will be unaffected; and
 - (ii) all other Rights will lapse on the Cessation Date.

9.3 Discretion and terms of the Offer

- (a) Notwithstanding the provisions of rules 9.1 and 9.2, the Board may, subject to compliance with the ASX Listing Rules and the Corporations Act, determine that some or all of the Rights held by a Participant do not lapse at the Cessation Time and may be exercised by the Participant (or, in the case of the death of a Participant, the legal representative of the Participant), within such additional time as is determined by the Board following the Cessation Date.
- (b) An Offer may provide for a different treatment of Rights upon a Participant ceasing to be an Employee than provided for in this rule 9

10. TRUSTEE

10.1 Power of the Board

The Company may determine and conclude agreements with the Trustee, and enforce or prosecute any rights and obligations under such agreements, without reference or recourse to the Participants under this Plan. Without limiting the Company's rights in this regard, the Company may, pursuant to and in accordance with any such agreements:

- (a) provide funds to the Trustee in order to allow the Trustee to subscribe for, and/or acquire, Shares to be held on behalf of Participants under this Plan;
- (b) pay the Trustee for services provided in connection with this Plan;
- (c) remove the Trustee and appoint a new trustee (and make any necessary arrangements or provisions for the transfer of Shares held by the Trustee for Participants to a new trustee); and

- (d) otherwise exercise any rights, responsibilities or powers afforded to it under the Trust Deed.

10.2 **Costs of Trustee**

The Company may determine the manner in which any costs associated with the Trustee and the performance by the Trustee of its roles and duties under this Plan and the Trust Deed, and costs incurred in the course of such performance, are to be borne.

11. **ADJUSTMENTS**

11.1 **New Issues**

Subject to the ASX Listing Rules (where relevant), a Participant may only participate in respect of a Right in a new issue of Shares or other securities to holders of Shares if the Right has been exercised in accordance with its terms and Shares are allotted or transferred and registered in respect of the Right on or before the Record Date for determining entitlements to the issue. The Company must give notice to Participants of any issue before the Record Date for determining entitlements to the issue in accordance with the ASX Listing Rules.

11.2 **Rights/entitlements issues**

If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Right Exercise Price for any Right not yet exercised will be reduced according to the formula specified in the ASX Listing Rules (as if the Rights were classified as options).

11.3 **Pro-rata bonus issues**

If the Company makes a pro-rata bonus issue to holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), the Participant will be entitled, upon later exercise of that Right, to receive in addition to the Share comprised in the Right an allocation of so many additional Shares as would have been issued to a shareholder who, on the Record Date for determining entitlements under the bonus issue, held Shares equal in number to the Shares comprised in the Right exercised.

11.4 **General reorganisation**

If the Company reorganises its issued ordinary capital of the Company in any way not contemplated by this rule 11, then the Board will determine the effect on the Rights not yet exercised or lapsed provided that the number of Shares attaching to each Right or the Right Exercise Price, or both, must be reorganised so that the Participants will not receive a benefit which the shareholders of the Company do not receive. This Rule does not prevent a rounding up of the number of securities to be received on exercise if the rounding up is approved at the shareholders' meeting which approves the reconstruction.

11.5 **Consolidation or sub-division**

If at any time or from time to time during the period in which the Rights have been granted, but not yet exercised or lapsed, the Company consolidates or subdivides its Shares, the number of Rights to which the Participant is entitled must be consolidated or subdivided (as the case may be) in the same ratio as the number of Shares any Right Exercise Price must be amended in the inverse proportion to that ratio.

11.6 Return of capital

If at any time or from time to time during the period in which the Rights have been granted, but not yet exercised or lapsed, the Company returns any capital to the holders of Shares (other than on a cancellation of Shares), the number of Rights to which the Participant is entitled is to remain the same and any Right Exercise Price must be reduced by the same proportion as the amount returned in relation to each Share.

11.7 Cancellation of capital that is lost

If at any time or from time to time during the period in which the Rights have been granted, but not yet exercised or lapsed, 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 Rights to which the Participant is entitled and any Right Exercise Price remain the same.

11.8 Pro rata cancellation of capital

If at any time or from time to time during the period in which the Rights have been granted, but not yet exercised or lapsed, the Company returns any capital to the holders of Shares upon a cancellation of Shares, the number of Rights to which the Participant is entitled and the Right Exercise Price remain the same.

11.9 ASX Listing Rules

An adjustment must not be made under this clause 11 unless it is consistent with the ASX Listing Rules. The Company may amend the terms of any Right, or the rights of any Participant under this Plan, to comply with the ASX Listing Rules applying at the time to any reorganisation of capital of the Company.

11.10 Cumulative adjustments

Each adjustment under clauses 11.2 to 11.8 must be made in such manner so that the effect of the successive applications is cumulative.

11.11 Notice of adjustment

Whenever the number of Shares comprised in a Right or the Right Exercise Price is adjusted pursuant to these Rules, the Company will give notice of the adjustment to the Participant and ASX together with calculations on which the adjustment is based. This notice may be in the form of a revised Rights holding statement.

12. ADMINISTRATION OF THE PLAN

- (a) The Plan will be administered by the Board in accordance with these Rules. The Board may make regulations for the operation of the Plan which are consistent with these Rules.
- (b) Any power or direction which is conferred on the Board by these Rules may be exercised by the Board in the interests or for the benefit of the Company, and the Board is not, in exercising any such power or discretion, under any fiduciary or other obligation to any other person.
- (c) Any power or discretion which is conferred on the Board by these Rules may be delegated by the Board for such period and upon such conditions as the Board may determine to:
 - (i) a committee consisting of such Directors as the Board determines; or

- (ii) any one or more persons selected by the Board.
- (d) Every exercise of discretion by the Board (or its delegate) and every decision of the Board as to the interpretation, effect or application of these Rules is final, conclusive, and binding.

13. DURATION

- (a) The Plan continues in operation until the Board decides to end it.
- (b) The Board may suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension.
- (c) If the Plan ends or is suspended for any reason, that does not prejudice the accrued rights of Participants.

14. AMENDMENT OF THESE RULES

14.1 Amendments

Subject to the ASX Listing Rules and rule 14.2, the Company may at any time by written instrument or by resolution of the Board, amend all or any of the provisions of these Rules (including this rule 14).

14.2 No reduction of rights

- (a) Subject to rule 14.2(b), no amendment of the provisions of these Rules is to reduce the rights of any Participant in respect of his or her outstanding Rights, other than an amendment introduced primarily:
 - (i) for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or like plans;
 - (ii) to correct any manifest error or mistake;
 - (iii) to enable a member of the Group to comply with the Corporations Act, the ASX Listing Rules, applicable foreign law, or a requirement, policy or practice of ASIC or other foreign or Australian regulatory body; or
 - (iv) to provide for a trustee to hold Restricted Shares on behalf of Participants.
- (b) Notwithstanding rule 14.2(a), the Company may amend all or any of the provisions of these Rules, provided that the Company provides to any affected Participant appropriate compensation, such that the Participant remains no worse off as a result of any such amendment.

14.3 Retrospectivity

Subject to rules 14.1 and 14.2, any amendment made pursuant to rule 14 may be given such retrospective effect as is specified in the written instrument or resolution by which the amendment is made.

15. TAXATION

- (a) If a Group Company is required to pay an amount 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 the Offer, Rights or Shares allocated, issued or transferred on exercise of a Right 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 Board thinks fit; and
- (ii) the Participant may be required as either or both a condition of the grant or vesting of the Right or the allocation, issue, 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, issued to, transferred or acquired or held for the Participant and authorising the payment of the relevant amount to the Group Company.
- (b) If a Participant fails to comply with rule 15(a) in relation to a Right or a Share (as the case may be), then the Participant's Rights will lapse and the Participant's interest in the Shares will be forfeited.
- (c) Unless expressly stated otherwise in the Offer, subdivision 83A-C of the Tax Act applies to Rights issued under these Rules (subject to the requirements of the Tax Act).

16. GENERAL PROVISIONS

16.1 Rights of Participants

Nothing in these Rules:

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

In addition, the Rules do not:

- (f) confer directly or indirectly on any Participant any legal or equitable rights against a Group Company (other than rights as a Participant under the Rules); or
- (g) affect the rights and obligations of an Eligible Employee under the terms of his or her contract of employment, contract for services or letter of appointment.

16.2 Applicable legislation

These Rules, the offering and granting of any Rights, the rights attaching to the Rights granted and the issue or acquisition of any Shares pursuant to the exercise of Rights will

at all times be subject to the Corporations Act, the Tax Act and any other applicable legislation from time to time and, while the Shares are Quoted, subject also to the ASX Listing Rules.

16.3 No contravention of Corporations Act (including Division 2 of Part 2D.2) or ASX Listing Rules

Despite any provision of these Rules, no Right:

- (a) may be granted to a Participant; or
- (b) may vest, be allowed to vest early or automatically, or be permitted to be retained by a Participant when it would otherwise lapse,

if to do so would contravene the Corporations Act or the ASX Listing Rules.

16.4 Rounding

Where any calculation or adjustment to be made pursuant to these Rules produces a fraction of a cent or a fraction of a Right or a fraction of a Share, the fraction will be eliminated by rounding to the nearest whole number.

16.5 Expense of the Plan

The costs and expenses of establishing and administering the Plan will be to the account of the Company.

16.6 Giving effect to the Plan

The Company and each Participant agrees, at its own expense, to do anything (including execute any document), reasonably required by the Company to give full effect to the provisions of these Rules and the transactions contemplated by them.

16.7 Attorney

Each Participant, in consideration of an Offer:

- (a) irrevocably appoints the Company and any person nominated from time to time by the Company (each an **attorney**), severally, as the Participant's attorney to complete and execute any documents including applications for Shares and Share transfers and to do all acts or things on behalf of and in the name of the Participant which may be convenient or necessary for the purpose of giving effect to the provisions of these Rules; and
- (b) covenants that the Participant will ratify and confirm any act or thing done pursuant to this power;
- (c) releases each member of the Group and the attorney from any liability whatsoever arising from the exercise of the powers conferred by this rule; and
- (d) indemnifies and holds harmless each member of the Group and the attorney in respect thereof.

16.8 Notices

Any notice to Participants may be given in such manner as the Board determines.

16.9 **Governing law**

- (a) This Plan is governed by the law in force in Victoria.
- (b) The Company and each Participant submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Victoria, and any court that may hear appeals from any of those courts, for any proceedings in connection with this Plan, and waive any right they might have to claim that those courts are an inconvenient forum.