



Baby Bunting Group Limited
General Employee Share Plan – Plan Rules

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**BABY BUNTING GROUP LIMITED GENERAL EMPLOYEE SHARE PLAN
PLAN RULES**

1. DICTIONARY

1.1 Definitions

In these Rules, the following definitions apply.

Acquisition Price means, in a respect of a Share offered under this Plan, the amount payable (if any) for that Share as set out in the relevant Offer.

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 the 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.

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

Director means a director of the Company.

Disposal Restriction means, in relation to Shares acquired under an Offer, the restriction on dealing with or disposing of the relevant Share for the period from the Grant Date until the earlier of:

- (a) the date three years after the relevant Grant Date of those Shares or such date as may be determined by the Board in its discretion provided that the restriction on disposal continues to allow the Shares to meet the minimum holding requirements in section 83A-45(4) of the Tax Act (or any successor provision); and
- (b) the day after the date on which the Participant ceased to be an Employee.

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 (who has been employed for a continuous period as determined by the Board (if any)), 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.

Grant Date means, in relation to Shares granted to a Participant pursuant to an Offer, the date on which those Shares are issued, allocated or transferred to, or for the benefit of, a Participant under this Plan.

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

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 Shares under this Plan.

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

Plan means the Baby Bunting Group Limited General Employee Share 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 under this Plan which is subject to Disposal Restrictions.

Rules means the rules of the 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.

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**

The Plan is to assist in the recruitment, reward, retention and motivation of Employees by providing the Board with the ability to offer Shares to Eligible Employees under this Plan.

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.

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 number of Shares being offered (or formula for calculation of such number);
- (c) specify the Acquisition Price (if any) or how it is to be calculated, and how it is to be paid by the Eligible Employee;

- (d) specify the date by which the Offer must be accepted and the manner of acceptance of the Offer;
- (e) 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
- (f) 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.

3.4 **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 the 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 SHARES**

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) 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.

5. **PROVIDING SHARES**

5.1 **Company to provide Shares**

If an Offer has been accepted in accordance with rule 4.1, the Company will, subject to the ASX Listing Rules (if relevant):

- (a) give notice in writing instructing the Trustee to subscribe for, acquire or allocate to the Participant the Shares the subject of the Offer;

- (b) upon receipt of an instruction in writing under rule 5.1(a) the Trustee shall as soon as practicable after receipt of that notice, subscribe for, acquire or allocate, the relevant Shares, 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 5.1(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).

5.2 **Beneficial owner of Shares**

From and including the date of acquisition by the Trustee of Shares in accordance with rule 5.1(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.

5.3 **Death of Participant**

If the Participant has died, the Participant's legal personal representative will stand in the place of the Participant and be entitled to have those Shares transferred to them subject only to prior production to the Company of such evidence as would be required to permit the legal personal representative to become registered as a shareholder in respect of Shares held by the Participant.

5.4 **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.

5.5 **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.

6. **DISPOSAL RESTRICTION**

6.1 **Disposal Restriction period**

During the period of the Disposal Restriction, the Participant will not:

- (a) transfer, assign or otherwise dispose of the relevant Shares subject to the Disposal Restriction;
- (b) Encumber the Shares subject to the Disposal Restriction; or

- (c) permit any other person to do anything referred to in rules 6.1(a) or (b).

During the period of the Disposal Restriction, the Company may implement any procedure it deems appropriate to ensure that the Participant complies with this rule 6 including imposing a Holding Lock and/or causing the Shares to be held by the Trustee.

6.2 End of Disposal Restriction

When the Disposal Restriction ceases to apply, the Company will take all steps to ensure that the Participant can deal with the relevant Shares, including removing any Holding Lock or instructing the Trustee to transfer the legal title in the relevant Shares to the Participant.

7. TRUSTEE

7.1 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.

7.2 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.

8. 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.

9. 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.

10. AMENDMENT OF THESE RULES

10.1 Amendments

Subject to the ASX Listing Rules and rule 10.2, 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 10).

10.2 No reduction of rights

- (a) Subject to rule 10.2(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 10.2(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.

10.3 Retrospectivity

Subject to rules 10.1 and 10.2, any amendment made pursuant to rule 10 may be given such retrospective effect as is specified in the written instrument or resolution by which the amendment is made.

11. 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 or Shares allocated, issued or transferred to 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) The Board will use reasonable endeavours to ensure that Participants will be eligible for the reduction referred to in section 83A-35 of the Tax Act in respect of Shares granted under the Plan, subject to each Participant's individual circumstances which may prevent the reduction from applying.
- (c) Participants in the Plan will face no risk of forfeiting the Shares (within the meaning of section 83A-35(7) of the Tax Act) acquired under the Plan.

12. GENERAL PROVISIONS

12.1 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 Shares while the Shares remain subject to Disposal Restrictions;
- (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.

12.2 Applicable legislation

These Rules, the offering and granting of any Shares and the issue or acquisition of any Shares under this Plan 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.

12.3 No contravention of Corporations Act or ASX Listing Rules

Despite any provision of these Rules, no Share:

- (a) may be granted to a Participant; or
- (b) may be allowed to be dealt with earlier than would otherwise be the case by a Participant,

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

12.4 Rounding

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

12.5 Expense of the Plan

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

12.6 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.

12.7 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.

12.8 Notices

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

12.9 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.