

# Option scheme rules

People Infrastructure Ltd



**TALBOTSAYER**

Talbot Sayer Lawyers ABN 93 168 129 075  
Level 11, Brisbane Club Tower, Post Office Square  
241 Adelaide Street, Brisbane QLD 4000 Australia  
GPO Box 799, Brisbane QLD 4001 Australia

Ph: +61 7 3160 2900  
[www.talbotsayer.com.au](http://www.talbotsayer.com.au)



# Option scheme rules

Details	4
1. Defined terms and interpretation	4
1.1 Defined terms	4
1.2 Interpretation	6
2. Administration of the Scheme	6
3. Eligible Participants	7
4. Grant of Options	7
4.1 Offer of Options	7
4.2 Required details of Offer	7
4.3 Required documents for Offer	7
4.4 Acceptance	7
4.5 Permitted Nominees	8
4.6 Maximum Options granted to Eligible Participant	8
4.7 No payment for grant of Options	8
4.8 Option statement or certificate	8
4.9 Register of Options	9
5. Exercise of Options	9
5.1 Right to acquire Shares	9
5.2 Exercise price	9
5.3 Right to exercise and lapse	9
6. Rights attaching to Options	9
6.1 Dividends	9
6.2 Participation in further issues	9
6.3 Transfer of Options	10
6.4 Security Interests	10
7. No interest in Shares	10
8. Change of Control	10
8.1 Board to notify Participants of Change of Control Trigger Event	10
8.2 Options exercisable on Change of Control	10
8.3 Action available to the Board for unexercised Options	10
8.4 Participants to cooperate and power of attorney	11
9. Issue of shares on Exercise	11



9.1	Issue of Shares	11
9.2	Ranking	11
9.3	Restriction on transfer of Shares	11
10.	Notices	11
10.1	Form and delivery of notices	11
10.2	Notices to Permitted Nominees	11
11.	Amendment of the Scheme	12
11.1	Amendment	12
11.2	Restriction on amendment	12
12.	Termination of the Scheme	12
13.	Administration of the Scheme	12
13.1	Authority to form policy	12
13.2	Obligations of Board	12
13.3	Board decisions	12
13.4	Delegation by Board	12
13.5	Independent advice by Board	12
14.	Rights of Eligible Participants and Participants	13
15.	General	13
15.1	Scheme subject to Constitution and law	13
15.2	Board, Company and delegates may act in its absolute discretion	13
15.3	Cost	13
15.4	Advice	13
15.5	Governing law and jurisdiction	14
15.6	Application of Subdivision 83A-C	14



## Details

---

Date 18 October 2017

### Background

The Scheme involves the grant of Options in People Infrastructure Ltd ACN 615 173 076(**Company**) to Eligible Participants on the terms of this document.

#### 1. Defined terms and interpretation

##### 1.1 Defined terms

In this document:

Term	Definition
<b>Acceptance Form</b>	means a completed and executed acceptance of an Offer substantially in the form issued by the Company or another form approved by the Board and provided to an Eligible Participant with an Offer Document.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>Bidder</b>	means a person who proposes to acquire (together with their associates) all of the ordinary shares in the Company.
<b>Board</b>	means the Company's board of Directors
<b>Business Day</b>	means a day that is not a Saturday, Sunday or public holiday in Brisbane, Queensland.
<b>Change of Control Trigger Event</b>	means: <ul style="list-style-type: none"><li>(a) a person acquires voting power (within the meaning of section 610 of the Corporations Act) in relation to more than 50% of the ordinary shares in the Company;</li><li>(b) an order of the Court made for the purposes of section 411(4)(b) of the Corporations Act, in connection with a members' scheme of arrangement to effect a change of Control, is lodged with ASIC under section 411(10) of the Corporations Act; or</li><li>(c) the Company disposes of the whole or a substantial part of its assets or undertaking.</li></ul>



<b>Term</b>	<b>Definition</b>
<b>Closed Period</b>	means the periods (if any) in which employees are prohibited from trading in Shares or other securities under the Company's securities trading policy.
<b>Constitution</b>	means the constitution of the Company as amended from time to time.
<b>Consultant</b>	means any person who acts in an advisory capacity or is engaged in the provision of services to the Group.
<b>Control</b>	has the meaning given in section 50AA of the Corporations Act.
<b>Corporations Act</b>	means <i>Corporations Act 2001</i> (Cth).
<b>Director</b>	means a director of the Company.
<b>Eligible Participant</b>	means any Director, Employee or Consultant who is decided by the Board to be an eligible participant for the purposes of the Scheme.
<b>Employee</b>	means an employee of a member of the Group.
<b>Exercise Date</b>	means the date from which an Eligible Participant may exercise an Option.
<b>Exercise Period</b>	means the period from the Exercise Date to the Expiry Date.
<b>Exercise Price</b>	means the price payable on exercise of an Option to acquire the underlying Share, calculated in accordance with clause 5.2.
<b>Expiry Date</b>	means the date on or by which a Participant must exercise an Option in accordance with the Scheme before that Option expires as set out in the Offer.
<b>Grant Date</b>	means the date on which the Participant is granted the Options.
<b>Group</b>	means the Company and its Related Bodies Corporate.
<b>Notice of Exercise</b>	means a completed and signed notice substantially in the form provided by the Company, or another form approved by the Board.
<b>Offer</b>	means an offer to an Eligible Participant to participate in the Scheme, made under an Offer Document.



<b>Term</b>	<b>Definition</b>
<b>Offer Document</b>	means a document containing details of the Offer substantially in the form provided by the Company, or another form approved by the Board.
<b>Option</b>	means an option granted under the Scheme to subscribe for and be allotted Shares as set out in the Offer.
<b>Participant</b>	means an Eligible Participant or its Permitted Nominee (as the case requires).
<b>Permitted Nominee</b>	means a body corporate Controlled by an Eligible Participant, a trust in which the Eligible Participant has, or may have (depending on the exercise of discretion) an entitlement to a majority of distributions, or such other entity as the Board may determine.
<b>Related Bodies Corporate</b>	has the meaning given to it in the Corporations Act.
<b>Scheme</b>	means this employee share option scheme.
<b>Security Interest</b>	means a mortgage, charge, pledge, lien or other encumbrance of any nature.
<b>Share</b>	means a fully paid ordinary share in the Company.
<b>Termination Date</b>	means the date the termination of directorship, employment or the consultancy arrangement of an Eligible Participant takes effect, in accordance with the Eligible Participant's written employment agreement or consultancy agreement or otherwise.
<b>Vesting Conditions</b>	means those events (if any) specified as such in an Offer.

## 1.2 Interpretation

In this document:

- (a) words importing the singular include the plural and vice versa, words importing any gender include other genders and 'person' includes a corporation;
- (b) words defined in the Corporations Act have the same meaning when used in this document; and
- (c) headings are for convenience only and do not affect the interpretation.

## 2. Administration of the Scheme

The Board will administer the Scheme in its absolute discretion in accordance with the rules contained in this document



### **3. Eligible Participants**

The Board may resolve in its absolute discretion to designate a Director, Employee or Consultant as an Eligible Participant for the purposes of this scheme.

### **4. Grant of Options**

#### **4.1 Offer of Options**

The Company may offer Options to an Eligible Participant in its absolute discretion by giving the Eligible Participant an Offer.

#### **4.2 Required details of Offer**

An Offer must state:

- (a) the total number of Options for which the Eligible Participant may accept;
- (b) the date of the Offer;
- (c) the time period for acceptance of the Offer;
- (d) the Exercise Date;
- (e) the Exercise Price;
- (f) the Expiry Date;
- (g) the Exercise Period;
- (h) the Issue Price;
- (i) the Vesting Conditions (if any);
- (j) any extra terms and conditions attaching to the Options; and
- (k) any matters required to be specified by the Corporations Act or any other law.

#### **4.3 Required documents for Offer**

The Company will send the Offer to an Eligible Participant together with:

- (a) an Acceptance Form;
- (b) a copy of this document or a summary of the rules set out in this document (in which case this document will be made available on request, free of charge);
- (c) any other explanatory material which the Company wishes to distribute; and
- (d) such other documents and information required by the Corporations Act or any other law.

#### **4.4 Acceptance**

An Eligible Participant may accept an Offer by completing, signing and returning the Acceptance Form in accordance with the Offer.

#### **4.5 Permitted Nominees**

- (a) An Eligible Participant that receives an Offer may nominate a Permitted Nominee to hold Options on their behalf by providing details of the Permitted Nominee on the Acceptance Form and having the Permitted Nominee sign the Acceptance Form.
- (b) The Board can, in its absolute discretion and without providing an explanation, decide whether or not a Permitted Nominee nominated by an Eligible Participant will be granted Options.
- (c) Where the Board decides not to grant Options to a Permitted Nominee, the Board will grant the Options to the Eligible Participant instead and the Eligible Participant is deemed to have accepted the Offer personally.
- (d) An Eligible Participant must immediately notify the Company as soon as they become aware of any transaction which may result in them ceasing to Control (alone or jointly with their close relatives) their Permitted Nominee or where the Eligible Participant (alone or together with any close relatives) ceases to have an entitlement (whether or not such entitlement requires an exercise of discretion) to a majority of the distributions of the entity.

#### **4.6 Maximum Options granted to Eligible Participant**

The Board must not grant an Option to an Eligible Participant if the exercise of that Option, when aggregated with any other outstanding options to acquire Shares in the Company held by the Eligible Participant or parties Controlled by the Eligible Participant would result in that Eligible Participant:

- (a) holding a beneficial interest in more than 10% of the Shares in the Company; or
- (b) being in a position to case, or to control the casting of, more than 10% of the maximum number of votes that might be cast at a general meeting of the Company.

#### **4.7 No payment for grant of Options**

Participants will not be required to pay for the grant of any Option.

#### **4.8 Option statement or certificate**

The Company will, within 15 Business Days following the Grant Date, deliver to each Participant:

- (a) a statement in the form the Board decides evidencing the grant of the Option; or
- (b) if required by the Constitution or otherwise by law, a certificate executed in accordance with the Constitution and specifying:
  - (i) the number of Shares subject to the Option;
  - (ii) the Exercise Price;
  - (iii) the Expiry Date;
  - (iv) the Vesting Conditions (if any); and
  - (v) any other information required by the Corporations Act or any other law.



#### **4.9 Register of Options**

The Company must maintain a register of the Options.

### **5. Exercise of Options**

#### **5.1 Right to acquire Shares**

An Option entitles a Participant to acquire the number of Shares the subject of an Option:

- (a) provided that the Participant is not in breach of their:
  - (i) directors duties, where the Participant is a Director;
  - (ii) employment agreement, where the Participant is an Employee; and
  - (iii) contract under which they provide services to the Company, where the Participant is a Consultant;
- (b) provided any acquisition of Shares does not breach the Corporations Act or any other law;
- (c) during the Exercise Period;
- (d) for payment of the Exercise Price; and
- (e) otherwise in the manner required by the Board and specified in writing to the Eligible Participant at the time the Option is granted.

#### **5.2 Exercise price**

The Exercise Price of any Share the subject of an Option is the amount set out in the Offer.

#### **5.3 Right to exercise and lapse**

- (a) Subject to clause 5.1, a Participant may exercise an Option at any time in the Exercise Period by delivering a Notice of Exercise to the Company and paying the Exercise Price.
- (b) Unless the Board decides otherwise, an Option that has not been exercised on or before the Expiry Date, lapses on the day after the Expiry Date.

### **6. Rights attaching to Options**

#### **6.1 Dividends**

A Participant shall not participate in dividends on Shares the subject of Options until Shares are issued pursuant to the exercise of Options under the Scheme.

#### **6.2 Participation in further issues**

A Participant can participate in new issues of Shares without having to first exercise their Options.



### **6.3 Transfer of Options**

Options may only be transferred with the prior written consent of the Board, which it may withhold in its absolute discretion, except for the transmission of Options to a legal personal representative of a Participant following a Participant's death.

### **6.4 Security Interests**

Participants in the Scheme may only grant Security Interests or otherwise assign, dispose or deal with Options or any interest in Options with the prior written consent of the Board, which it may withhold in its absolute discretion.

## **7. No interest in Shares**

A Participant shall have no interest in Shares the subject of an Option until those Options are exercised and Shares are allotted.

## **8. Change of Control**

### **8.1 Board to notify Participants of Change of Control Trigger Event**

The Board must, as soon as reasonably practicable, notify each Participant if a Change of Control Trigger Event occurs.

### **8.2 Options exercisable on Change of Control**

Unless the Board decides otherwise, if a Change of Control Trigger Event occurs, all Options vest immediately and may be exercised by a Participant (regardless of whether any Vesting Conditions have been satisfied) by delivering a Notice of Exercise and payment of the Exercise Price to the Company.

### **8.3 Action available to the Board for unexercised Options**

If a Change of Control Trigger Event occurs, the Company may:

- (a) buy-back an Option held by a Participant for:
  - (i) an amount agreed with the Participant; or
  - (ii) the fair value of an Option as determined by an independent accounting firm;
- (b) arrange for options to acquire shares in the bidder to be granted to the Participant on substantially the same terms as the Options and subject to substantially the same Vesting Conditions, but with any appropriate adjustments decided by the Board to the number of shares in the Bidder to be issued on exercise of those options or the exercise price of those options, to as nearly as possible to ensure the financial position of the Participant whose options are substituted remains the same;
- (c) do nothing, and allow the Options to continue in accordance with their terms; or
- (d) proceed with any combination of the alternatives in clause 8.3(a), 8.3(b) or 8.3(c).



#### **8.4 Participants to cooperate and power of attorney**

Each Participant:

- (a) must do all acts, matters or things which are necessary or desirable to give effect to a buy-back or exchange of Options under clause 8.3; and
- (b) irrevocably appoints Declan Sherman (Director) as its attorney for the purpose of performing any act required of it under this clause 8.4

### **9. Issue of shares on Exercise**

#### **9.1 Issue of Shares**

- (a) The Company will issue Shares to a Participant at the next Board meeting, or within 20 Business Days, whichever first occurs after receiving a valid Notice of Exercise and the Exercise Price.
- (b) Notwithstanding clause 9.1(a), the Company must not issue Shares to a Participant unless the Participant has delivered a signed deed of accession to any shareholders' agreement that is in place between all shareholders of the Company at the time the Participant delivered the valid Notice of Exercise to the Company, if so requested by the Board.

#### **9.2 Ranking**

A Share issued pursuant to the exercise of any Option ranks equally with all existing Shares of that class from the date of allotment.

#### **9.3 Restriction on transfer of Shares**

Any Shares issued to the Participant or their Approved Nominee as a result of this Scheme may not be transferred unless:

- (a) the Board has granted written approval to the transfer, which it may withhold in its absolute discretion.

### **10. Notices**

#### **10.1 Form and delivery of notices**

Any notice or direction given under this Scheme is validly given if it is:

- (a) handed to the person concerned;
- (b) sent by ordinary prepaid post to the person's last known address; or
- (c) sent by email to an Eligible Participant's Company email address.

#### **10.2 Notices to Permitted Nominees**

Any notice or direction given under this Scheme to a Permitted Nominee is validly given if it is provided to the associated Eligible Participant in accordance with clause 10.1.

## **11. Amendment of the Scheme**

### **11.1 Amendment**

The Scheme may be amended by:

- (a) an ordinary resolution of the members of the Company in general meeting; or
- (b) where it is necessary to comply with the Corporations Act or any other law, or to effect technical and non-substantive amendments, a resolution of the Board.

### **11.2 Restriction on amendment**

Any amendment made under clause 11.1:

- (a) cannot effect a change to increase the number of Shares to which a Participant is entitled on exercise of the Option, reduce the Exercise Price or change the Exercise Period unless permitted by the Corporations Act or any other relevant law; and
- (b) must not adversely affect or prejudice the rights of any Participant holding Options at that time.

## **12. Termination of the Scheme**

The Scheme may be terminated or suspended at any time by the Board without any effect on or prejudice to the rights of any Participant holding Options at that time.

## **13. Administration of the Scheme**

### **13.1 Authority to form policy**

The Board may form policy and make regulations for the operations of the Scheme which are consistent with this Scheme and may delegate necessary functions to an appropriate service provider or employee capable of performing those functions and implementing those policies.

### **13.2 Obligations of Board**

The Board in exercising a power or discretion conferred on it by this Scheme is not under a fiduciary or other obligation to any person.

### **13.3 Board decisions**

The decisions of the Board as to the interpretation, effect or application of this Scheme will be final.

### **13.4 Delegation by Board**

The Board may delegate such functions and powers under this Scheme as it considers appropriate, for the efficient administration of the Scheme, to a committee made up of a person or persons capable of performing those functions and exercising those powers.

### **13.5 Independent advice by Board**

The Board or a committee may take and rely upon independent professional or expert advice in relation to the exercise of any of their powers or discretions under this Scheme.



## **14. Rights of Eligible Participants and Participants**

Nothing in this Scheme:

- (a) confers on any Eligible Participant the right to continue as a Director of the Company or an Employee of, or Consultant to, the Group;
- (b) affects any rights a member of the Group may have to terminate the employment of any Employee or any agreement with a Director or Consultant; or
- (c) may be used to increase damages in any action brought against the Company or any Related Body Corporate, other than an action arising solely out of a Participant's rights under the Scheme.

## **15. General**

### **15.1 Scheme subject to Constitution and law**

- (a) The provisions of this Scheme, the entitlements of Eligible Participants and Participants, and any obligations of the Company under this Scheme are subject to the Constitution, the Corporations Act and any other applicable law.
- (b) No Option may be granted nor will any Option be capable of exercise if it would, or in the opinion of the Board having taken appropriate legal advice, is likely to, contravene the Corporations Act or any other applicable law.
- (c) Despite any other provision of this Scheme, every covenant or other provision set out in an exemption from, or modification to, the provisions of the Corporations Act granted from time to time by ASIC in respect of the Scheme, and required to be included in this Scheme in order for the exemption or modification to have effect, is deemed to be contained in this Scheme. To the extent that any covenant, or other provision deemed by this Scheme to be contained in this Scheme is inconsistent with any other provision in this clause, the deemed covenant or other provision will prevail.

### **15.2 Board, Company and delegates may act in its absolute discretion**

Where the Board, the Company or any delegates may exercise any right or discretion or make any decision under this document in respect of the Scheme, it may do so in its absolute discretion, conditionally or unconditionally without being required to give reasons or act reasonably. This clause applies unless this document expressly requires otherwise.

### **15.3 Cost**

The Company must pay all the expenses, costs and charges incurred in operating the Scheme. The Company is not responsible for any duties or taxes which may become payable in connection with the grant of an Option, the issue and allotment of Shares on exercise of an Option or any other dealing with the Options (including, but not limited to, as a result of a transaction contemplated by clauses 4.5(d) or 8.3).

### **15.4 Advice**

Eligible Participants and their Permitted Nominees should obtain their own independent advice at their own expense on the financial, taxation and other consequences to them of, or relating to, participation in the Scheme.

**15.5 Governing law and jurisdiction**

- (a) Queensland law governs this document and the rights of Eligible Participants and Participants under the Scheme.
- (b) Each Eligible Participant, Participant, Permitted Nominee, the Company and the Board (and their delegates) irrevocably submits to the non-exclusive jurisdiction of the Queensland courts and courts competent to hear appeals from those courts.

**15.6 Application of Subdivision 83A-C**

Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth) applies to the Scheme.