



9 January 2018

ASX Limited
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

FOR IMMEDIATE RELEASE

BSA Limited Non-executive Director (NED) Fee Sacrifice Equity Plan

Please find attached the Rules of the BSA Limited Non-executive Director (NED) Fee Sacrifice Equity Plan as summarised and approved by shareholders at the Annual General Meeting held on 28 November 2017.

For further information, please contact: -

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On behalf of the Board

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**Rules of the BSA Limited
Non-executive Director (NED)
Fee Sacrifice Equity Plan**

Contents

| | Page |
|--|------|
| 1 PURPOSE..... | 1 |
| 2 INTERPRETATION | 1 |
| 3 ADMINISTRATION | 1 |
| 4 ELIGIBILITY | 1 |
| 5 INVITATIONS | 2 |
| 6 APPLICATION FOR RIGHTS..... | 2 |
| 7 GRANTING OF DEFERRED RIGHTS | 3 |
| 8 PARTICIPANTS | 3 |
| 9 RIGHTS MAY NOT BE DISPOSED OF OR TRANSFERRED OR ENCUMBERED | 3 |
| 10 VESTING OF RIGHTS | 3 |
| 11 WHEN RIGHTS MAY BE EXERCISED | 3 |
| 12 EXERCISE OF RIGHTS | 4 |
| 13 DISPOSAL RESTRICTIONS ATTACHED TO SHARES | 4 |
| 14 NO HEDGING..... | 4 |
| 15 BONUS ISSUES, RIGHTS ISSUES AND CAPITAL REORGANISATION | 4 |
| 16 CESSATION OF OFFICE OF DIRECTOR..... | 5 |
| 17 CHANGE OF CONTROL INCLUDING TAKEOVER..... | 5 |
| 18 FRAUD, GROSS MISCONDUCT ETC. | 5 |
| 19 EMPLOYEE SHARE SCHEME TAXING PROVISIONS TO APPLY | 6 |
| 20 BOARD DETERMINATIONS AND AMENDMENT OF THE PLAN | 6 |
| 21 NOT EXCLUSIVE METHOD OF REMUNERATION | 6 |
| 22 NO RIGHT TO RETAIN OFFICE OF DIRECTOR | 6 |
| 23 RELATIONSHIP TO OTHER PLANS | 7 |
| 24 GOVERNING LAW | 7 |
| 25 DICTIONARY | 7 |

BSA Limited

NED Fee Sacrifice Equity Plan (NFSEP)

1 PURPOSE

- 1.1 This BSA Limited NED Fee Sacrifice Equity Plan (NFSEP, the Plan) is governed by the Rules.
- 1.2 The purposes of the Plan include to:
 - facilitate the acquisition of equity in the Company by NEDs serving on the board because it provides NEDs with “skin in the game” and aligns their interests with shareholders,
 - preserve the independence of NEDs by ensuring that NED participate in a separate equity plan from equity plans in which executives of the Company participate and for which NEDs set performance vesting conditions, and
 - overcome the challenges faced by NEDs in acquiring equity on-market due to governance and regulatory issues in a manner that is intended to demonstrate good-governance.
- 1.3 The Plan has been designed to deliver Restricted Shares when Deferred Rights are exercised.

2 INTERPRETATION

- 2.1 Unless the context otherwise requires:
 - (a) headings and subheadings are for convenience only and shall not affect interpretation except for specific cross-references,
 - (b) words denoting the singular shall include the plural, and the converse also applies,
 - (c) words denoting any gender include all genders,
 - (d) any reference to a party to any agreement or document includes its successors and permitted assigns and substitutes by way of assignment or novation, and
 - (e) any reference to any agreement or document includes that agreement or document as amended at any time.
- 2.2 The capitalised words used in these Rules have the meaning ascribed to them in Rule 25 Dictionary.

3 ADMINISTRATION

- 3.1 This Plan will be administered by the Board. The Board is authorised, subject to the provisions of these Rules, to establish such guidelines for the administration of the Plan as are deemed appropriate, and to make determinations under the Plan as may be deemed necessary or advisable from time to time. Such determinations shall be conclusive and binding on all Participants.

4 ELIGIBILITY

- 4.1 All individuals holding NED roles in a Group Company are eligible to become Participants in the Plan.

5 INVITATIONS

- 5.1 The Plan will operate through a series of Invitations. The Board will in its absolute discretion determine in respect of each Invitation those NEDs of the Company to whom Invitations will be made and the numbers of Deferred Rights for which an Invitation will be made to each NED to apply for.
- 5.2 Each Invitation may contain terms and conditions that vary between Invitations. The terms and conditions that apply to an Invitation are to be determined by the Board and included in the Letter of Invitation.
- 5.3 It is intended that Invitations be made in respect of the Company's financial year and amounts sacrificed or converted from fee policy amounts related to the financial year. Invitations will be made as soon after the annual general meeting (AGM) as possible given any approvals that may be required. However, subject to the ASX Listing Rules, the Board may make Invitations at such times and to such NEDs as it determines in its discretion.
- 5.4 When Invitations are made to selected NEDs they will be advised in their Letter of Invitation of the number of Deferred Rights for which they may apply.
- 5.5 The Board may in its absolute discretion withdraw an Invitation at any time prior to acceptance by a NED. Situations in which such withdrawals may occur include when the Board becomes aware that the NED will cease to hold the office of Director of a Group Company in the near term.
- 5.6 Details to be contained in the Letter of Invitation include:
 - (a) name of the NED,
 - (b) the date of the Invitation,
 - (c) the number of Deferred Rights for which a participant is eligible to apply,
 - (d) the price of the Deferred Rights, ignoring any amount of fee sacrifice ,will be nil unless otherwise determined by the Board,
 - (e) Exercise Price which will be nil unless otherwise determined by the Board,
 - (f) the period for which the Specified Disposal Restriction, if any, will apply to Restricted Shares acquired on exercise of Deferred Rights, and which will be the earlier of 15 years from the date of the grant (as outline in a Notice of Grant) or cessation of holding the position of NED, unless otherwise determined and specified in the Invitation,
 - (g) whether the Shares to be provided to a Participant on exercise of the Deferred Rights that are the subject of the Invitation made must be purchased on-market or may be acquired otherwise,
 - (h) such other terms and conditions that the Board determines to include, and
 - (i) how to apply for Rights that are the subject of the Invitation, including the name of the person to whom the Application should be sent and when it should be received by that person (Application Period).

6 APPLICATION FOR RIGHTS

- 6.1 If an Application is made, it must be in writing (Application Form).
- 6.2 The form of Application Form and the time period within which Applications may be made shall be determined by the Board in its discretion from time to time. In submitting an Application, the Participant will be agreeing to be bound by these Rules.
- 6.3 Applications may only be made in relation to all of the Rights outlined in an Invitation.

7 GRANTING OF DEFERRED RIGHTS

- 7.1 The Board will consider valid Applications for Rights that are made in response to Invitations, and determine whether or not the applications are accepted, prior to making any grants.
- 7.2 The Company will use reasonable endeavours to grant the Rights, unless otherwise withdrawn in accordance with these Rules, within 30 days of the last date on which a valid Application may be made. Invitations will not be made prior to shareholder approval having been obtained when such approval is necessary.
- 7.3 Participants will be advised in writing when Rights have been granted and the date of the grant, via a Notice of Grant, which will confirm any Specified Disposal Restrictions.

8 PARTICIPANTS

- 8.1 Non-executive Directors who have been granted Deferred Rights will be referred to as Participants in the Plan.
- 8.2 They will remain Participants until all Deferred Rights they have been granted have either lapsed or been exercised and any disposal restriction applicable to the Restricted Shares acquired by exercising the Deferred Rights have ceased to apply.
- 8.3 The receipt of an Invitation or Invitations under the Plan does not guarantee nor confer any entitlement to receive any other Invitation under the Plan.

9 RIGHTS MAY NOT BE DISPOSED OF OR TRANSFERRED OR ENCUMBERED

- 9.1 Rights may not be disposed of or transferred or otherwise dealt with (including for purposes of this Rule, encumbered or made subject to any interest in favour of any other person) and lapse immediately on purported disposal, transfer or dealing unless the transfer is effected by operation of law on death or legal incapacity to the Participant's legal personal representative.

10 VESTING OF RIGHTS

- 10.1 Deferred Rights granted under these Rules will be fully vested on the date of grant (being the date notified in a Notice of Grant).

11 WHEN RIGHTS MAY BE EXERCISED

- 11.1 Unvested Rights may not be exercised.
- 11.2 Vested Rights will be exercised as specified in Rule 12.

12 EXERCISE OF RIGHTS

- 12.1 Deferred Rights will be automatically exercised ninety days after the date of their grant as specified in a Notice of Grant, and may not be exercised earlier.
- 12.2 On exercise of a Right the Board will in its discretion, either:
- (a) issue Shares to Participants, or
 - (b) arrange for Shares to be acquired for the benefit of Participants by the trustee of the EST. The Company will contribute such funds as are needed from time to time to the EST trustee to enable the EST trustee to acquire Shares and the trustee shall apply those funds to acquire Shares by:
 - i. on-market purchase, or
 - ii. subscription to a new issue
- as directed by the Board. The Shares that result from the exercising of Deferred Rights are Restricted Shares.

13 DISPOSAL RESTRICTIONS ATTACHED TO SHARES

- 13.1 All Shares acquired by Participants or held by the trustee of the EST for the benefit of Participants as a consequence of the exercise of Rights, shall be subject to a disposal restriction being that such Shares (Restricted Shares) may not be sold or disposed of in any way until their sale would not breach either:
- (a) the Company's share trading policy, or
 - (b) Division 3 of Part 7.10 of the Corporations Act
- following expiry of the Specified Disposal Restriction, if any, applicable to the Restricted Shares.
- 13.2 Invitations to apply for Rights may contain Specified Disposal Restrictions that apply to the Restricted Shares acquired by Participants or held by the trustee of the EST for the benefit of Participants. During the period the Specified Disposal Restrictions apply, the Restricted Shares may not be sold or otherwise disposed of. However, in cases of hardship the Board may waive the remaining portion of the disposal restriction period.
- 13.3 If Shares subject to disposal restrictions are held in the name of the Participant then the Company may impose a CHES holding lock to ensure that the disposal restrictions are complied with. If a CHES holding lock is applied to Restricted Shares then it shall be removed as soon as the disposal restrictions cease to apply.

14 NO HEDGING

- 14.1 Participants must not enter into an arrangement with anyone if it would have the effect of limiting their exposure to risk in relation to Deferred Rights or Restricted Shares.

15 BONUS ISSUES, RIGHTS ISSUES AND CAPITAL REORGANISATION

- 15.1 In cases of bonus share issues by the Company the number of Rights held by a Participant shall be increased by the same number as the number of bonus shares that would have been received by the Participants had the Rights been fully paid ordinary shares in the Company, except in the case that the bonus share issue is in lieu of a dividend payment, in which case no adjustment will apply.

- 15.2 In the case of general rights issues to Shareholders there will be no adjustment to the Rights. However, the Board may consider issuing options:
- (a) of a number up to the number of Shares to which the Participant would have been entitled had the Rights been Shares, and
 - (b) the exercise price of such options will be equal to the amount payable by Shareholders to exercise a right to acquire a Share.
- 15.3 In the case of an issue of rights to other than to Shareholders there will be no adjustment to the Rights.
- 15.4 In the case of other capital reconstructions the Board may make such adjustments to the Rights as it considers appropriate with a view to ensuring that holders of Rights are neither advantaged nor disadvantaged.

16 CESSATION OF OFFICE OF DIRECTOR

- 16.1 If a Participant ceases to be a NED of a Group Company;
- (a) any unexercised Restricted Rights held by or on behalf of the Participant will be exercised automatically on the business day following the cessation,
 - (b) any Restricted Shares held by or on behalf of the Participant and subject to Specified Disposal Restrictions on the day of the cessation will cease to be subject to such restrictions on the day of the cessation, and
 - (c) the Board will act to remove any CHES holding lock applied by the Company to Restricted Shares held by or on behalf of the Participant,
- unless otherwise determined by the Board and notified to the Participant in the Invitation.

17 CHANGE OF CONTROL INCLUDING TAKEOVER

- 17.1 In the event of a Change of Control including a takeover;
- (d) any unexercised Restricted Rights held by or on behalf of a Participant will be exercised automatically on the date that the Board makes a determination that such an event is likely to occur,
 - (e) any Restricted Shares held by or on behalf of a Participant and subject to Specified Disposal Restrictions will cease to be subject to such restrictions on the day that such an event is announced to the market, and
 - (f) the Board will act to remove any CHES holding lock applied by the Company to Restricted Shares held by or on behalf of a Participant on the day that such an event is announced to the market.

18 FRAUD, GROSS MISCONDUCT Etc.

- 18.1 In the event that the Board forms the opinion that a Participant has committed an act of fraud, defalcation or gross misconduct in relation to a Group Company, the Participant shall forfeit all unexercised Deferred Rights.

19 EMPLOYEE SHARE SCHEME TAXING PROVISIONS TO APPLY

19.1 Subdivision 83A-C of the Income Tax Assessment Act 1997 applies to this Plan including to all Deferred Rights granted under the Plan and all Shares that arise from exercise of Deferred Rights that have been exercised.

20 BOARD DETERMINATIONS AND AMENDMENT OF THE PLAN

20.1 A determination by the Board or a Committee or a delegate of the Board may be evidenced by minutes of a meeting of the Board or Committee or a record of a determination by the delegate (as applicable). Any such minute or determination shall be prima facie evidence of the determination in the absence of manifest error.

20.2 The Board may at any time by written instrument, or by resolution of the Board, amend or repeal all or any of the provisions of the Rules, including this Rule.

20.3 No amendment to or repeal of the Rules is to reduce the existing rights of any Participant in respect of any Invitations made prior to the date of the amendment or repeal, other than with the consent of the Participant or where the amendment is introduced primarily:

(a) for the purpose of complying with or conforming to a present or future State, Territory or Commonwealth legal requirement governing, regulating or effecting the maintenance or operation of the Plan or like plans;

(b) to correct any manifest error or mistake;

(c) to address possible adverse tax implications for Participants generally or the Company arising from:

- i. a ruling of any relevant taxation authority;
- ii. a change to tax legislation or the application or termination of the legislation or any other statute or law (including an official announcement by any relevant taxation or government authority);
- iii. a change in interpretation of tax legislation by a court of competent jurisdiction or by any relevant taxation authority; or
- iv. to enable the Company to comply with the Corporations Act or the Listing Rules.

21 NOT EXCLUSIVE METHOD OF REMUNERATION

21.1 This Plan shall not be an exclusive method of providing remuneration for NEDs of the Company, nor shall it preclude the Company from authorising or approving other forms of remuneration.

22 NO RIGHT TO RETAIN OFFICE OF DIRECTOR

22.1 Neither the establishment of the Plan nor receipt of an Invitation nor the payment of an award nor the vesting of Deferred Rights or any other action under the Plan shall be held to confer upon any Participant the right to continue to hold an office of Director of a Group Company or affect any rights the Company may have to remove the Participant from an office of Director of a Group Company.

23 RELATIONSHIP TO OTHER PLANS

23.1 Participation in the Plan shall not affect or be affected by participation in or payment under any other plan of the Company, except as otherwise determined by the Board.

24 GOVERNING LAW

24.1 These Rules are governed by the laws of New South Wales Australia.

25 DICTIONARY

25.1 Unless the context otherwise requires, the following terms and abbreviations have the following meanings:

| | |
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| Application | The act of submitting a Application Form or otherwise applying to receive Rights under the Plan. |
| Application Form | A document submitted by an Eligible Director to apply for specific Rights, as outlined in a Letter of Invitation, the valid submission of which binds the participants to the terms of the Invitation and these Rules, in relation to any Rights that may be issued as a result. |
| Application Period | The period between the date of a Letter of Invitation and the late date on which a Application Form may be submitted. |
| ASIC | Australian Securities and Investments Commission |
| ASX | ASX Limited ACN 008 624 691 (aka Australian Securities Exchange) or the securities market which it operates, as the context requires. |
| Board | The Board of the Company. |
| Company | BSA Limited ACN 088 412 748 |
| Change of Control | When the Board advises Participants that one or more persons acting in concert have acquired or are likely to imminently acquire “control” of the Company as defined in section 50AA of the Corporations Act. |
| CHESS | Clearing House Electronic Sub-register System |
| Corporations Act | Corporations Act 2001 (Cth). |
| Deferred Right | means a Right which is fully vested at grant. |
| Director | Means a member of the Board of a Group Company, whether in an executive or non-executive capacity. |
| Eligible Director | Means a NED of a Group Company. Directors who are executives are not Eligible Directors. |

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|---------------------------------|---|
| EST | The BSA Limited Employee Share Trust. |
| Exercise Price | Means the amount, if any, payable to exercise a Rights. |
| Group | means the Company and its Related Bodies Corporate |
| Group Company | means any body corporate within the Group. |
| Invitation | An invitation to apply for a grant of Rights under the Plan. |
| ITAA 1997 | means the <i>Income Tax Assessment Act 1997</i> (Cth), as amended from time to time. |
| Letter of Invitation | Means the communication that contains the terms and conditions of the specific invitation to apply for Rights, in respect of an Eligible Director (Invitation). |
| Listing Rules | The Listing Rules of the ASX. |
| Notice of Grant | The document issued to a participant to notify them that a grant of Rights has been made to them, which must include the date of the grant. |
| Notice of Vesting | The document issued to a Participant to notify them that Rights have vested, including the date of vesting. |
| Participant | See Rule 8. |
| Plan | BSA Limited NED Fee Sacrifice Equity Plan (NFSEP). |
| Related Bodies Corporate | Has the meaning in section 50 of the Corporations Act. |
| Restricted Shares | Shares acquired by exercise of vested Rights and which are subject to disposal restrictions. |
| Right | Means an entitlement to a Restricted Share when validly exercised. |
| Rules or Plan Rules | These Rules that govern the Plan. |
| Shareholders | Means those persons who hold Shares. |
| Share | A fully paid ordinary share in the Company. |

Specified Disposal Restriction

Disposal restriction means the period commencing when a Restricted Share is acquired by exercise of a Deferred Right and ending on a date specified in the Letter of Invitation. Such period shall not end later than the earlier of the 15th anniversary of the grant of the Deferred Rights and the date of cessation of holding the office of Director of a Group Company. During the period of the Specified Disposal Restriction, Restricted Shares may not be disposed of or transferred or otherwise dealt with (including encumbered or made subject to any interest in favour of any other person) and will be forfeited to the trustee of the EST on purported disposal, transfer or dealing unless the transfer is effected by operation of law on death or legal incapacity to the Participant's legal personal representative.