

Commercial-in-Confidence



**Pepper Money Share Save Plan
Rules**

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Pepper Money Share Save Plan Rules

1 PURPOSE

The Pepper Money Share Save Plan (Plan) has been established to facilitate the acquisition of equity interests in Pepper Money Ltd (Pepper Money) by Employees. Such equity interest acquisitions may, subject to these Rules, be by way of:

- a) Salary Sacrifice Plan Shares,
- b) Matching Plan Shares,
- c) Dividend Replacement Plan Shares, or
- d) Award Plan Shares.

2 DEFINITIONS AND INTERPRETATION

2.1 See Rule 45 for definitions of the terms used in these Rules.

2.2 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.

3 ADMINISTRATION

This Plan will be administered by the Board, but it may delegate responsibility to a Plan Administrator or a committee of the Board in relation to all Participants or to the Managing Director in relation to Participants other than the Managing Director. 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 and communicate same to the Plan Administrator as may be deemed necessary or advisable from time to time. Such determinations shall be conclusive and binding on all Participants.

4 ELIGIBILITY

Subject to Rule 6.1 all Employees are eligible to receive Invitations.

5 PARTICIPATION BY THE COMPANY

To participate in the Plan the Board must on behalf of the Company:

- a) approve the establishment of the Plan,
- b) agree that it and each Related Body Corporate will be bound by the Rules,

- c) agree that subject to the Board's discretion on exercise of Plan Shares granted to Participants, the Company will arrange for Shares to be transferred to the person who exercised the Plan Shares or make payments in cash to that person and/or make contributions to the Pepper Money Employee Share Trust (PMEST) to enable the subscription for or acquisition of Shares by the PMEST Trustee for the benefit of the person who exercised the Plan Shares, and
- d) agree to meet all administration costs and charges incurred in relation to the operation and administration of the Plan.

6 INVITATIONS

- 6.1 The Plan will operate through a series of Invitations. The Board will in its absolute discretion determine those Employees who will receive Invitations. Employees selected by the Board to receive Invitations will be provided with an Invitation and, if required under the Corporations Act, a Product Disclosure Statement (PDS). The PDS may be updated or reissued from time to time for clarity or compliance, in which case it will be made available to existing Participants.
- 6.2 Subject to compliance with the Company's Constitution, the Listing Rules and the Corporations Act, the Board may make Invitations at such times and to such Employees as it determines in its discretion.
- 6.3 Each Invitation may contain terms and conditions that vary between Invitations. The terms and conditions that apply to an Invitation (and any consequent issue of Plan Shares) are to be determined by the Board and included in the Invitation.
- 6.4 Details to be contained in an Invitation will include each of the following to the extent applicable to the particular Invitation:
 - (a) name of the Employee,
 - (b) date of the Invitation,
 - (c) the minimum number or minimum value of Plan Shares that may be applied for in each financial year, if such a minimum applies to the Invitation,
 - (d) the maximum number or maximum value of Plan Shares that may be applied for in each financial year, if such a maximum applies to the Invitation,
 - (e) the term of the Salary Sacrifice arrangement or the date on which Salary Sacrifice arrangements will cease, subject to early reduction or cessation of employment by the Participant, if applicable,
 - (f) exercise restrictions, if any, that will apply to the Plan Shares,
 - (g) the terms and conditions, if any, that apply to vesting of Matching and Award Plan Shares,
 - (h) disposal restrictions, if any, that will apply to Shares acquired when Plan Shares are exercised,
 - (i) the conditions attached to the settlement of Plan Shares at their Acquisition Price, if applicable, on exercise,
 - (j) other terms and conditions that the Board determines to include, and
 - (k) how to apply for Plan Shares that are the subject of the Invitation, and the Application Period.

7 EMPLOYEE APPLICATIONS TO BECOME PARTICIPANTS

- 7.1 Employees may, at the times specified in the Invitation, apply to participate in the Plan and/or apply for Plan Shares.
- 7.2 When making such an Application the Employee must agree to be bound by these Rules, the terms of the Invitation including the PDS and to any determinations made by the Board in relation to the operation of the Plan or the interpretation of these Rules.
- 7.3 The Application shall, subject to the Invitation, nominate the amount or method of calculating the amount of Salary Sacrifice which will apply to each Pay Day until varied pursuant to Rule 8 by the Participant or suspended or cancelled by the Board.

8 VARIATION OF AMOUNTS OF SALARY SACRIFICE

- 8.1 Participants may, subject to the terms of the relevant Invitation, reduce the amount of Salary Sacrifice in relation to earnings for future work at any time, but not more often than twice per annum unless otherwise determined by the Board, by completing and submitting a Salary Sacrifice Variation online.
- 8.2 After a valid Salary Sacrifice Variation has been submitted it shall be implemented as soon as possible by the Company for subsequent Pay Days.
- 8.3 Participants may not increase their Salary Sacrifice election other than by submitting a new Application during an Application Period.

9 GRANTS OF RESERVE RIGHTS AND SALARY SACRIFICE PLAN SHARES TO EMPLOYEES

- 9.1 Subject to Rule 36.1 at times determined by the Board and subject to the requirements of the Corporations Act, Reserve Rights may be issued to Employees who have elected to Salary Sacrifice in relation to the Plan.
- 9.2 Reserve Rights will be unvested at grant and will vest fifteen years later, provided that the Employee has remained an Employee at that date and the Reserve Rights have not vested or lapsed earlier.
- 9.3 The Board may in its absolute discretion determine at any time that unvested Reserve Rights will vest or lapse.
- 9.4 Following completion of a financial year all unallocated Reserve Rights that were issued in the financial year will lapse unless otherwise determined by the Board.
- 9.5 Following the completion of each Calendar Quarter the number of Salary Sacrifice Plan Shares to be allocated to each Participant will be calculated pursuant to Rule 9.6 and will be provided, in the discretion of the Board, via:

- a) new issues of Plan Shares, or
- b) vesting of Reserve Rights,

However, if a new issue of Plan Shares cannot be made for whatever reason and there are insufficient Reserve Rights then the allocation of Salary Sacrifice Plan Shares will be delayed until a new issue of Plan Shares and/or vesting of Reserve Rights can occur.

- 9.6 The number of whole Salary Sacrifice Plan Shares to be allocated to a Participant will be calculated by dividing the total amount of Salary Sacrifice for the Calendar Quarter plus any residual amount carried forward from the prior Calendar Quarter for the Participant, by the Acquisition Price.

- 9.7 No consideration is payable for a Reserve Rights or Plan Share other than the Salary Sacrifice amount in respect of a Plan Share.
- 9.8 Allocations of Salary Sacrifice Plan Shares under this Rule will be Vested upon allocation.
- 9.9 Shares acquired on exercise of Salary Sacrifice Plan Shares will be subject to Disposal Restrictions specified in Rule 28.

10 GRANT OF MATCHING PLAN SHARES

- 10.1 Grants of Matching Plan Shares, if any, will be on such basis as determined by the Board, from time to time.
- 10.2 No consideration is payable for the Plan Shares granted pursuant to this Rule.
- 10.3 Plan Shares granted under this Rule will be subject to Vesting Conditions, if any, specified in the relevant Invitation.
- 10.4 Shares acquired on exercise of Matching Plan Shares will be subject to Disposal Restrictions specified in Rule 28.

11 GRANT OF AWARD PLAN SHARES

- 11.1 The number of Award Plan Shares, if any, specified in an Invitation will be determined by the Board.
- 11.2 No consideration is payable for Award Plan Shares.
- 11.3 Award Plan Shares granted under this Rule will be subject to Vesting Conditions, if any, specified in the relevant Invitation.
- 11.4 Shares acquired on exercise of Award Plan Shares will not be subject to Disposal Restrictions unless otherwise specified in the Invitation.

12 DIVIDEND REPLACEMENT PLAN SHARES

- 12.1 A Participant shall be entitled to grants of Dividend Replacement Plan Shares in respect of Vested Plan Shares if Pepper Money makes dividend payments to shareholders. The number of Dividend Replacement Plan Shares to be granted will be calculated using the following formula:

$$\text{Number of Dividend Replacement Plan Shares} = (A \times (B + C)) \div D$$

where:

“A” means the number of Plan Shares held by the Participant at a dividend declaration date in respect of a Share,

“B” means the amount of cash dividends payable in respect of a Share,

“C” means the amount of imputation credits attached to cash dividends payable in respect of a Share.

“D” means either the price specified for dividends reinvestment in respect of the relevant dividends if a dividend reinvestment plan is in operation or otherwise the volume weighted average price for Shares traded on the ASX over the 10 trading days preceding the ex-dividend date.

- 12.2 The grant of Plan Shares covered by this Rule will take place as soon as possible following the date of the dividend, unless otherwise determined by the Board.
- 12.3 No consideration is payable by the Participant for Dividend Replacement Plan Shares.

- 12.4 Rounding down to the nearest whole Plan Share applies to Dividend Replacement Plan Share allocations, with any residual being carried forward. Subject to Rules 29 and 30, any residual amount of carry forward dividend replacement value that could not have been previously converted to Plan Shares will be forfeited upon termination of the Plan, or when 180 days have elapsed since the last Plan Share allocation to the Participant.

13 EXERCISE RESTRICTIONS

- 13.1 The Board may in its discretion determine that Plan Shares will be subject to Exercise Restrictions in addition to any limits imposed on the exercise of such securities pursuant to the Corporations Act.
- 13.2 The Board retains discretion to at any time release Exercise Restrictions applicable to Plan Shares.

14 BONUS ISSUES

- 14.1 If Shares are issued pro-rata to Pepper Money's shareholders generally by way of bonus issue (other than by way of dividend reinvestment) a Participant is entitled to a grant of additional Plan Shares calculated as if the Plan Shares had been Shares subject to the Listing Rules.
- 14.2 Plan Shares granted pursuant to Rule 14.1 will be subject to the same terms and conditions, if any, as the Plan Shares to which the additional Plan Shares relate.
- 14.3 No consideration is payable for Plan Shares, subject to this Rule.

15 SUB-DIVISION, CONSOLIDATION, REDUCTION OR RETURN

General Rights Issues to Holders of Shares

- 15.1 If Shares are offered pro-rata for subscription by Pepper Money's shareholders generally by way of a rights issue, Pepper Money may grant additional Plan Shares to Participants in such numbers as it determines in its discretion, subject to the Listing Rules. The application of this discretion is intended to be such that Participants will not be advantaged or disadvantaged by the re-organisation.
- 15.2 Plan Shares granted pursuant to Rule 15.2 will be subject to the same terms and conditions, if any, as the Plan Shares to which the additional Plan Shares relate.

Other

- 15.3 If there is any re-organisation, including any subdivision, consolidation, reduction of issued capital, or return of the issued capital of Pepper Money, the number of Plan Shares held by a Participant will be adjusted in accordance with Pepper Money's discretion, subject to the Listing Rules. The application of this discretion is intended to be such that Participants will not be advantaged or disadvantaged by the re-organisation.
- 15.4 Plan Shares granted pursuant to Rule 15.3 will be subject to the same terms and conditions, if any, as the Plan Shares to which the additional Plan Shares relate.

16 EXERCISE OF PLAN SHARES GRANTED TO A DIRECTOR WITHOUT SHARE HOLDER APPROVAL

If a grant of Plan Shares pursuant to Rules 9 to 15 to a Director has not received prior approval of Pepper Money's shareholders, then on exercise of such Plan Shares and subject to the Listing Rules any Shares to be provided to the Participant shall be acquired by the PMEST

Trustee by on-market purchase, or the Plan Share will be settled in cash only, depending on the requirements of the Listing Rules as applicable at the time.

17 LIMITED RIGHT TO PARTICIPATE IN NEW ISSUES

Subject to the preceding Rules, the grant of a Reserve Right or Plan Share does not entitle a Participant to participate in any new issue of Shares of Pepper Money.

18 FRACTIONS OF PLAN SHARES ROUNDED

- 18.1 If application (or cumulative successive applications, where applicable) of any of the provisions of Rules 9 to 15 to a Participant's Plan Shares results, by reference to the total number of Plan Shares that are affected, in a number of Plan Shares that includes a fractional Plan Share, the Board shall round it down to the nearest whole number.
- 18.2 Any remaining monetary balance in a Participant's account following an allocation of Plan Shares will be carried forward with a view to conversion into Plan Shares at a later date.
- 18.3 Subject to Rules 31 and 32, any residual amount of Salary Sacrifice that could not have been previously converted to Plan Shares will forfeited upon termination of the Plan, or when 180 days have elapsed since the last Plan Share allocation to the Participant.

19 CERTIFICATE OR STATEMENT

Following each grant of Plan Shares, Pepper Money will make available to the Participant a certificate or statement in electronic form setting out:

- a) the number of each type of Plan Shares held prior to the grant,
- b) the number of each type of Plan Shares granted,
- c) the Acquisition Price of each of the Plan Shares granted,
- d) the Grant Date for the Plan Shares granted, and
- e) the number of each type of Plan Shares held following the grant.

20 PLAN SHARES NOT SUBJECT TO VESTING CONDITIONS OR DISPOSAL RESTRICTIONS

Plan Shares are not subject to any Vesting Conditions or Disposal Restrictions other than those specified in these Rules and Invitations.

21 TERM OF PLAN SHARES

- 21.1 All Plan Shares will have a term of 14 years from their date of grant, unless otherwise determined by the Board in its absolute discretion and notified to the Participant in writing at the time of grant of the Plan Share.
- 21.2 If not exercised prior to the end of the term specified in Rule 21.1, vested Plan Shares will be deemed to be exercised by the Participant immediately before the end of their term and Rules 24 and 26 shall apply to such Plan Shares.

22 APPLICATION OF EMPLOYEE SHARE SCHEME PROVISIONS OF INCOME TAX ASSESSMENT ACT 1997

It is intended that the employee share scheme provisions of Subdivision 83A-C of the Income Tax Assessment Act 1997 will apply to Plan Shares.

23 REGISTER OF PLAN SHARES

Plan Shares granted under the Plan (and Shares issued or acquired on exercise of Plan Shares) will be registered in the appropriate register of Pepper Money.

24 EXERCISE OF PLAN SHARES

- 24.1 Subject to the Corporations Act, the Pepper Money trading policy as in force from time to time and any Exercise Restrictions specified in an Invitation, Vested Plan Shares may be exercised at any time after 90 days from the Grant Date.
- 24.2 To exercise Vested Plan Shares a notice of exercise must be submitted electronically with Pepper Money and the notice shall be in such form as required by Pepper Money at that time. The value of Plan Shares requested to be exercised must be not less than:
- a) Plan Shares with a total value of \$250, or
 - b) The number of Plan Shares held for the Participant in the Plan.
- 24.3 No consideration is payable by a Participant to exercise a Plan Share.
- 24.4 It is a condition precedent to the exercise of a Plan Share that the Participant is not bankrupt and has not committed an act of bankruptcy unless the Board permits a Participant to exercise or dispose of a Plan Share in these circumstances in writing.
- 24.5 If the Board has decided to settle an exercise of a Plan Share by way of issue of a Share and Pepper Money is aware of information that falls within Listing Rule 3.1A then the issue of the Share will be delayed until Pepper Money is no longer aware of information that falls within Listing Rule 3.1A. In such cases the Participant will be notified of the delay and will be given the opportunity to request the Board to consider exercising its discretion pursuant to Rule 5 (c) to direct the Company to settle the exercise immediately in cash. When considering such a request the Board may take into account whether the Participant is experiencing financial difficulty.
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25 ORDER OF EXERCISE OF PLAN SHARES

When Plan Shares are exercised, they shall be exercised in the following order:

- a) Dividend Replacement Plan Shares,
 - b) Vested Matching Plan Shares,
 - c) Vested Award Plan Shares,
 - d) Salary Sacrifice Plan Shares that have Acquisition Prices less than or equal to the Market Value of a Share,
 - e) Other vested Plan Shares.
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26 EXERCISE OF SALARY SACRIFICE PLAN SHARES IF SHARE PRICE IS LESS THAN THE ACQUISITION PRICE

- 26.1 This Rule only applies to Participants who do not hold roles that are classified as KMP at the time of the exercise, unless otherwise determined by the Board.
- 26.2 Subject to Rule 26.3 on exercise of a Salary Sacrifice Plan Share where the Exercise Value is less than the Acquisition Price of the Plan Share, the Company will redeem the Plan Shares for a cash payment equal to the Acquisition Price of the Plan Share, unless the

Board forms the view that the cash payment may adversely affect the Company's cash liquidity position.

- 26.3 If the Board forms the view that a cash payment may adversely affect the Company's cash liquidity position, then the Board may in its discretion allocate additional Plan Shares from Reserve Rights to make up some or all of the difference in value between the Acquisition Price and the Share Price at the time of the exercise of the Right (limited to a maximum of 4 unvested Reserve Rights vesting per Salary Sacrifice Plan Share settled under this Rule, and limited by the total number of unvested Reserve Rights held by the Participant at the date of exercise).
- 26.4 In respect of Plan Shares other than Salary Sacrifice Plan Shares the Company is under no obligation to make cash payments unless the Board determines to settle an exercised Plan Share in cash equal to the Market Value of a Share.

27 GENERAL EXERCISE OF PLAN SHARES

On exercise of a Vested Plan Share the Company may in its discretion decide to:

- a) issue to the Participant one Share, or
- b) pay to the PMEST Trustee contributions equal to the relevant Market Value of a Share to enable the subscription for or acquisition of a Share relating to the exercise of Plan Share by the Participant, or
- c) pay the Exercise Value to the Participant as a cash payment.

28 DISPOSAL RESTRICTIONS

- 28.1 Reserve Rights and Plan Shares may not be disposed of, 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 will 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.
- 28.2 Shares acquired on the exercise of Plan Shares 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) for a period of time if so specified in the relevant Invitation.
- 28.3 In addition, Shares will be subject to disposal restrictions to the extent that
- a) The Company's Securities Trading Policy applies to the Shares, or
 - b) Any restriction in the Corporations Act applies to the disposal of Shares.
- 28.4 Shares subject to disposal restrictions shall be held by the PMEST Trustee on behalf of the Participant for the period of the Disposal Restrictions to ensure compliance with this Rule.

29 VOTING

Plan Shares do not carry any entitlement to vote at general meetings of Pepper Money shareholders.

30 LISTING OF ISSUED SHARES

In the event that Shares are issued in relation to the exercise of Plan Shares, Pepper Money will promptly seek listing of those Shares on the ASX.

31 TERMINATION OF EMPLOYMENT

Upon the Employment Cessation Date where the Participant is not immediately re-employed by the Company or any Related Body Corporate:

- a) any amount standing to the credit of the Participant's Salary Sacrifice account will be converted into a grant of Plan Shares using a VWAP for the elapsed portion of the Calendar Quarter up to the date of the cessation of employment in which the termination occurred and any residual amount will be forfeited,
- b) all Vested Plan Shares held by the Participant will be automatically exercised, and
- c) all unvested Reserve Rights and unvested Plan Shares held in respect of the Participant will lapse.

32 CHANGE OF CONTROL

- 32.1 A Change of Control will not affect the Plan unless the Board forms the view that Shares are likely to cease to be listed on the ASX. In this case, the amount standing to the credit of a Participant's Salary Sacrifice account will be converted into a grant of Salary Sacrifice Plan Shares using a VWAP for the elapsed portion of the Calendar Quarter up to the date determined by the Board and any residual amount will be forfeited.
- 32.2 Should the Board form the view that a Change of Control is imminent and may result in de-listing of Shares then it may in its discretion determine that:
 - a) some or all vested Plan Shares will be exercised and settled in Shares, or
 - b) some or all of the vested Plan Shares will be exercised at dates determined by the Board and will be settled in cash with the value of the Plan Shares being the price at which Shares were acquired immediately prior to the delisting, unless otherwise determined by the Board.
 - c) Unvested Plan Shares will either vest or lapse as determined by the Board in its sole discretion, on a date determined by the Board.

33 POWER OF ATTORNEY

- 33.1 In consideration of the issue of the Plan Shares, each Participant irrevocably appoints each Director and the secretary for the time being of the Company severally as their attorney in relation to their participation in the Plan, to do all acts and things and to complete and execute any documents, including Share transfers, in their name and on their behalf that may be convenient or necessary for the purpose of giving effect to the provisions of these Rules or the terms of an Invitation.
- 33.2 The Participant (or after their death, their Legal Personal Representative) will be deemed to ratify and confirm any act or thing done under this power and must indemnify the attorney in respect of doing so.

34 INDEMNIFICATION

- 34.1 Pepper Money indemnifies, on a full indemnity basis and to the full extent permitted by law, each person who is or has been a Director or alternate director for all losses or liabilities incurred by the person as an officer of Pepper Money, the Company or a Related Body Corporate in relation to any act or matter covered by or arising out of the administration of the Plan or for reasonable costs and expenses incurred:
 - a) in defending proceedings, whether civil or criminal, in which judgment is given in favour of the person or in which the person is acquitted; or

- b) in connection with an application in relation to such proceedings in which the court grants relief to the person under the Corporations Act.
- 34.2 The indemnity under Rule 34.1 is a continuing obligation and is enforceable by a person to whom the indemnity applies even though that person may have ceased to be an officer of Pepper Money.
- 34.3 The indemnity under Rule 34.1 operates only to the extent that the loss or liability is not covered by insurance and the person concerned acted honestly and in good faith and the indemnity is not otherwise prohibited by the Corporations Act.

35 SHARE BUY-BACK

If a Participant is required or wishes to dispose of Shares acquired under the Plan, Pepper Money at its discretion may enter into an employee share scheme buy-back arrangement with the Participant or the PMEST Trustee, as the case may be, in respect of those Shares under Pt 2J.1 of the Corporations Act.

36 BOARD'S DECISION IS FINAL

If there is any dispute or disagreement as to the interpretation of these Rules or as to any right or obligation concerning a Plan Share, the decision of the Board is final and binding on all of its Participants.

37 SUSPENSION OR CANCELLATION OF PLAN

- 37.1 The Board may, at any time, suspend the granting of any Reserve Rights or Plan Shares under the Plan, or cancel the Plan.
- 37.2 Should the Board cancel the Plan then:
 - a) all Salary Sacrifice amounts held for Participants pending conversion into Plan Shares shall be refunded to the Participants,
 - b) all Reserve Rights will lapse, and
 - c) the Board may determine that:
 - i. any remaining unvested Plan Shares shall become Vested Plan Shares, and
 - ii. some or all Vested Plan Shares will be exercised and settled in Shares, or
 - iii. some or all of the Vested Plan Shares will be exercised at dates determined by the Board and will be settled in cash with the value of each of the Plan Shares being the higher of the Acquisition Price and the Exercise Value, unless otherwise determined by the Board.

38 PLAN COSTS

The costs of establishment and maintenance of the Plan including any administration costs charged by any delegate of the Board shall be met by Pepper Money, with the exception of brokerage costs that may arise upon disposal of a Shares by a Participant, which must be met by the Participant.

39 ISSUES UNDER ARRANGEMENT WITH AFSL HOLDER

- 39.1 Offers of financial products under the Plan which are accompanied by a PDS will be made under an arrangement with the holder of an appropriate AFSL pursuant to section 911A(2)(b) of the Corporations Act. The offers made by the AFSL holder are based on the

PDS and other documents prepared by Pepper Money and the AFSL holder does not warrant the accuracy of the information contained in these documents or that Pepper Money will in all circumstances comply with its obligations as specified in these documents.

- 39.2 Pepper Money indemnifies, on a full indemnity basis and to the full extent permitted by law the AFSL holder for all losses or liabilities incurred in relation to any act or matter covered by or arising out of offers under Rule 39.1 or for reasonable costs and expenses incurred:
- a) in defending proceedings, whether civil or criminal, in which judgment is given in favour of the person or in which the person is acquitted; or
 - b) in connection with an application in relation to such proceedings in which the court grants relief to the person under the Corporations Act.
- 39.3 The indemnity under Rule 39.2 is a continuing obligation.
- 39.4 The indemnity under Rule 39.2 operates only to the extent that the loss or liability is not covered by insurance and the AFSL holder acted honestly and in good faith and the indemnity is not otherwise prohibited by the Corporations Act.
- 39.5 No Rights or Plan Shares may be issued to, or exercised by a participant if to do so would contravene the Corporations Act, the ASX Listing Rules or any relief or waiver granted by ASIC or the ASX that binds the Company in making any offer under the Plan or otherwise in connection with the operation of the Plan.

40 AMENDMENTS TO THE PLAN

- 40.1 Subject to Rules 40.2 and 40.3, the Listing Rules and the Company's Constitution, the Board may by resolution amend (meaning, for the purposes of this Rule 39, change, add to, revoke, substitute or replace) these Rules or any of them, including this Rule and the Terms of Grant.
- 40.2 The Board may not amend the Rules or the Terms of Grant if, in its opinion, the amendment would materially reduce the rights of a Participant in respect of Plan Shares granted before the date of the amendment, unless the amendment is introduced primarily:
- a) for the purpose of complying with any State or Commonwealth legislation or the Listing Rules which affect the Plan;
 - b) to correct a manifest error;
 - c) to address possible adverse tax implications for Participants generally or Pepper Money arising from:
 - i. a ruling of any relevant taxation authority; or
 - ii. a change to tax legislation (including an official announcement by any relevant taxation authority); or
 - iii. the interpretation or a change in interpretation of tax legislation by a court of competent jurisdiction or by any relevant taxation authority; or
 - d) to enable a Company to comply with its Constitution.
- 40.3 As soon as reasonably practicable after making an amendment under this Rule, the Board, by written notice, will inform each Participant affected.

41 TERMS OF EMPLOYMENT OR APPOINTMENT NOT AFFECTED

- 41.1 The Rules do not:

- a) form part of any contract of Employment or any arrangement in respect of any such Employment, between an Employee and a Pepper Money or a Related Body Corporate; or
 - b) constitute a related condition or collateral arrangement to any such contract of Employment or arrangement.
- 41.2 Participation in the Plan does not in any way affect the rights and obligations of an Employee under the terms of his or her Employment or arrangement.
- 41.3 The terms of an Employee's Employment or arrangement with a Company do not in any way affect the rights and obligations under the Plan of the Employee as a Participant.
- 41.4 A Participant has no right to compensation or damages from the Company or any of its Related Bodies Corporate in respect of any loss of future rights under the Plan, as a consequence of termination of an Employee's Employment or arrangement.

42 CORRECTION OF ERRORS

- 42.1 In the event that any error or mistake has been made in relation to the number of Plan Shares the subject of an Invitation or offer or any certificate or statement regarding Plan Shares granted, that offer or certificate, as the case may be, shall be null and void and of no legal effect to the extent of any such error or mistake and the Company may in its absolute discretion correct such error or mistake, without the need to obtain consent from the relevant Participant, by notice to that person and, where appropriate, may issue an amended Invitation or offer, certificate, statement or advice.
- 42.2 The Board will notify the relevant person within a reasonable period after discovering and correcting the error or mistake.

43 NOTICES

- 43.1 A notice (meaning for the purposes of this Rule 43, notice, application, permission or other communication) under these Rules or in connection with the Plan may be given in writing, addressed to the person to whom it is given, and is taken to be given and received if sent in accordance with Rules 43.2, 43.3 or 43.4.
- 43.2 For the purposes of Rule 43.1 a notice is duly given and received by the Company if sent to the company by pre-paid mail or by email or other electronic communication, to an address at which it is actually received by:
- a) the person who is, from time to time, designated by the Board as the person to whom the notice should be sent or by whom it should be received, and whose name or title and address are notified to the sender; or
 - b) if no other person is designated by the Board for this purpose, the secretary of the company.
- 43.3 For the purposes of Rule 43.1 notice is duly given and received by a company other than the Company if sent to the company:
- a) by pre-paid mail to its registered office; or
 - b) by facsimile or other electronic communication to the last known facsimile or other electronic communication address of its registered office.
- 43.4 For the purposes of Rule 43.1 a notice is duly given and received by a natural person if sent to:
- a) the person's last known mailing address or the person's last known email address or other electronic communication address; or

- b) in the case of a Participant who has not ceased to be an employee of the Company, to the last known mailing, facsimile or other electronic communication address of the place of business at which the person performs the whole or substantially the whole of his or her Employment.
- 43.5 A notice given under Rule 43.1 to a person being a natural person (referred to in Rule 43.4), is duly given even if the person is then deceased (and whether or not any Company has notice of his or her death), unless the legal personal representative of the person has established title to this position to the satisfaction of the Company and supplied to the Company an address to which documents should be sent.
- 43.6 A notice sent in accordance with Rule 43.1 is treated as given and received:
- a) in the case of a notice sent to the Company or another company, at the time it is actually received by the appropriate person referred to in Rule 43.2 or 43.3 (as applicable);
 - b) in the case of any other notice sent by prepaid mail, 48 hours after it was put into the post properly stamped; and
 - c) in the case of any other notice sent by facsimile or other electronic communication, at the time of transmission.

44 CONSTITUTION, LISTING RULES AND GOVERNING LAW

- 44.1 These Rules are subject to the Corporations Act, the Company's Constitution and the Listing Rules in force from time to time.
- 44.2 These Rules are governed by the laws in force in the State of New South Wales and the Commonwealth of Australia.

45 DEFINITIONS

Meanings shall apply to capitalised terms used in these Rules as specified in this provision, unless the context otherwise requires:

Acquisition Price	means, the Market Value of a Plan Share at the time of allocation to a Participant or in the case of Dividend Replacement Plan Shares the price specified in Rule 12.;
AFSL	means an Australian Financial Services Licence issued by ASIC;
Application	means a request from an Employee who has received an Invitation to participate in the Plan and/or acquire Plan Shares by way of Salary Sacrifice and/or Matching and/or Award and/or Dividend Replacement;
Application Period	means the period between the date of an Invitation and the last date on which an Application may be received in order for the Application to be considered valid, as specified in an Invitation.
ASIC	means the Australian Securities and Investments Commission;
ASX	means ASX Limited ACN 008 624 691;
ATO	means the Australian Taxation Office;
Award	means a grant under the Plan either in recognitions of performance and/or service achievements or with vesting

	conditions related to future performance and/or service and may include compulsory STVR Awards;
Award Plan Shares	means Plans Shares granted pursuant to Rule 11;
Board	means in relation to the Company all or some of the Directors acting as a board as constituted from time to time and includes a committee or representative of the board as established by the board of Directors from time to time for the purpose of making decisions as required under the Plan;
Calendar Quarter	means a period of three months ending on 31 March, 30 June, 30 September or 31 December;
Change of Control	means when the Board advises Participants that one or more persons acting in concert have acquired or are likely to imminently acquire “control” of Pepper Money as defined in section 50AA of the Corporations Act;
Company	means Pepper Money Limited ACN 094 317 665;
Constitution	means the constitution which is applicable to the Company from time to time;
Corporations Act	means the Corporations Act 2001 (Cth);
Director	means any person who is appointed as a director of the Company pursuant to the Constitution;
Disposal Restrictions	means restrictions as outlined under Rule 28.
Dividend Replacement Plan Shares	means Plan Shares granted pursuant to Rule 12;
Employee	<p>means a person who is engaged:</p> <ul style="list-style-type: none"> a) in the capacity of an executive Director (excludes non-executive Directors), or b) as an employee, or c) on a similar basis to employment as recognised under section 83A.325 of the Income Tax Assessment Act 1997(Cth), <p>on a permanent full-time or permanent part-time basis by the Company or a Related Body Corporate and has completed any relevant period of probationary employment, unless otherwise determined by the Board;</p>
Employment	means employment as an Employee or appointment by the Company as a Director;
Employment Cessation Date	means the date on which a Participant ceases, for any reason, to be an Employee;

PMEST	means the Pepper Money Employee Share Trust established to facilitate the operation of the Plan or any successor trust as determined by the Board for the purposes of this Plan;
PMEST Trustee	means the trustee appointed pursuant to the PMEST established to facilitate the Plan;
Exercise Restrictions	means the limitations on when and how many Plan Shares may be exercised as set out in the Invitation;
Exercise Value	means the price at which Shares were most recently traded on the ASX at the time a request to exercise Plan Shares is processed;
Fixed Pay	means in respect of a Participant their fixed annual remuneration;
Grant Date	means the date on which a Plan Share is, or is deemed to be granted;
Incapacity	means a Participant's inability, in the opinion of the Board, to perform their duties because of their illness or incapacity;
Invitation	means an invitation to participate in the Plan and/or apply for a grant of Plan Shares under the Plan and includes the PDS.;
Insolvency Event	means the appointment of an administrator or liquidator to Pepper Money or a receiver to the property of Pepper Money pursuant to the applicable provisions of the Corporations Act.
KMP	means key management personnel as defined under the Corporations Act;
Legal Personal Representative	means the executor of the will or an administrator of the estate of a deceased person, the trustee of the estate of a person under a legal disability or a person who holds an enduring power of attorney granted by another person;
Listing Rules	means the Listing Rules of the ASX (including the terms of any waiver given under those rules) as they apply to the Company from time to time;
Managing Director	means the Managing Director and CEO of Pepper Money Limited as appointed from time to time;
Market Value of a Share	means: <ul style="list-style-type: none"> a) for calculating the Acquisition Price of Salary Sacrifice Plan Shares the VWAP for the Calendar Quarter in respect of which Salary Sacrifice occurred b) for calculating the Acquisition Price of Matching Plan Shares an amount equal to the Market Value of the Salary Sacrifice Plan Shares being matched,

	<p>c) for calculating the Acquisition Price of Dividend Replacement Plan Shares the VWAP calculated over the ten ASX trading days commencing when the Shares or Shares are traded ex-dividend on the ASX following the date of the relevant dividend, unless otherwise determined by the Board.</p> <p>d) for calculating the Acquisition Price of Award Plan Shares the VWAP for Shares or Shares calculated over the five trading days preceding determination of the Award or such other amount determined by the Board.</p> <p>e) When Plan Shares are being exercised the VWAP for Shares or Shares calculated over the five trading days preceding the exercise or the price paid for a Share acquired by on-market purchase, as applicable to the form of settlement determined by the Board;</p>
Matching Plan Shares	means Plan Shares granted pursuant to Rule 10;
Participant	<p>means:</p> <p>(a) an Employee to whom a Plan Share is granted, and</p> <p>(b) for the purposes of exercising the Plan Shares of that person (being a natural person) on death or legal incapacity, his or her duly appointed legal personal representative;</p>
Pay Day	means the day on which payroll processes Fixed Pay for an Employee;
Plan	means the Pepper Money Share Save Plan under these Rules;
Plan Share	means an indeterminate right which is an entitlement on exercise to the value of a Share which may be settled in cash and/or Shares pursuant to Rules 24 and 26 (note: Plan Shares do not carry voting or dividend entitlements);
PDS	means a Product Disclosure Statement in respect of a Plan Share which shall comply with Part 7.9 of the Corporations Act;
Related Body Corporate	has the meaning given by section 50 of the Corporations Act;
Reserve Right	means a Plan Share that is unvested at grant and issued pursuant to Rule 9.1 (note: Reserve Rights do not carry voting or dividend entitlements);
Rules	means these rules;
Salary Sacrifice	means an arrangement whereby cash Fixed Pay for work to be performed or STVR prior to determination by the Board as to the amount of the STVR Award is foregone on an elective basis in accordance with the guidelines of the ATO for salary sacrifice to be effective for taxation purposes;

Salary Sacrifice Plan Shares	means Plan Shares granted pursuant to Rule 9.4:
Salary Sacrifice Variation	means a form approved by the Board for Participants to change future amounts of Salary Sacrifice;
Share	means a fully paid ordinary share in Pepper Money Limited;
STVR	means short term variable remuneration being performance-based awards or bonuses relating to a period of not more than one year, unless otherwise determined by the Company;
STVR Award	means the amount of an STVR award in respect of a measurement period;
Terms of Grant	means, in relation to a Plan Share the terms set out in the Invitation;
Vested	means, in relation to a Plan Share, an entitlement that a Participant may exercise in accordance with the Terms of Grant;
Vesting Conditions	means conditions that must be met, subject to these Rules, in order for an unvested Plan Share to become Vested.
VWAP	means the volume weighted average price at which Shares were traded on the ASX over a specified time period.