

# PEXA Group Limited Equity Incentive Plan Rules

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## 1. PURPOSE

The purpose of the Plan is to:

- (a) provide a means of attracting, motivating and retaining skilled and experienced Eligible Persons;
- (b) provide Eligible Persons with an opportunity to participate in an incentive plan which recognises ongoing contribution to the achievement by the Company of its strategic goals;
- (c) establish an employee share scheme within the meaning of Division 83A of the Tax Act and ASIC Class Order 14/1000 (as applicable) (to the extent the employee share scheme provisions of the Tax Act and ASIC Class Order 14/1000 may be applicable to current or future grants);
- (d) facilitate (as may be applicable to current or future grants) the grant of equity by the Company to Eligible Persons through either a:
  - (i) Deferred Grant; or
  - (ii) Exempt Grant;
- (e) align the interests of Participants with Shareholders through the sharing of a personal interest in the future growth and development of the Company; and
- (f) encourage Eligible Persons to improve the performance of the Company and its total return to Shareholders.

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## 2. DEFINITIONS AND INTERPRETATION

### 2.1 Definitions

In this document, unless the context requires otherwise:

**Administrator** means any person engaged by the Board to carry out the day-to-day administration of the Plan as contemplated by clause 10.2(e).

**Application** means the application in the form that the Board determines from time to time to be used by an Eligible Person to apply to participate in the Plan in response to an Invitation.

**ASIC** means the Australian Securities and Investments Commission.

**ASIC Class Order 14/1000** means Class Order 14/1000 “Employee incentive schemes: Listed bodies” as issued by ASIC and includes any other similar exemption, modification, instrument or relief made or granted by ASIC that applies to the Company from time to time.

**ASX** means ASX Limited ABN 98 008 624 691 or the securities market which it operates, as the context requires.

**Board** means the board of directors of the Company or any committee of the board or any person to whom any authority has been delegated under clause 10.2(d).

**Business Day** means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Victoria.

**Company** means PEXA Group Limited (ABN 23 629 193 764).

**Constitution** means the constitution of the Company, as amended from time to time.

**Control** of an entity means having the right to:

- (a) vote 50% (or more) of the votes that can be cast on the election or removal of the entity's directors;
- (b) appoint or remove directors who possess 50% (or more) of the votes exercisable by all directors of the entity; or
- (c) receive 50% (or more) of the profits or distributions of the entity or of its net liquidation proceeds.

**Control Event** means any of the following:

- (a) an offer being made by a person for shares to acquire Control of the Company; or
- (b) any other event which the Board reasonably considers should be regarded as a Control Event.

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

**Current Market Price** means the volume weighted average market price per Share sold in the ordinary course of trading on the ASX during the 5 trading days ending on the date the Vesting Conditions are satisfied and any Exercise Price is paid or any other calculation as determined by the Board in accordance with these Rules and the Invitation.

**Date of Registration** means with respect to a Plan Interest, the date that a Participant acquires a legal or beneficial interest.

**Deferred Grant** means a grant to which Subdivision 83A-C of the Tax Act applies to allow deferral of income tax and includes a Salary Sacrifice Grant.

**Disposal Restrictions** means, in relation to a Restricted Share, the Holding Lock or any other restrictions that must be satisfied before the Restricted Share may be Disposed of by a Participant as specified in the Invitation.

**Dispose** means, in relation to a Restricted Share, sell, transfer, encumber, hedge, grant an option over, create a Third Party Right in, deal with or otherwise dispose of the Restricted Share or Share (as applicable) or any interest in the Restricted Share.

**Eligible Person** means employees of the Group or any other person (including a director, contractor or consultant of the Group) whom the Board determines to be eligible to participate in the Plan and who is invited to participate in the plan by the Company.

**Employee Share Scheme** has the meaning given to it in the Tax Act.

**Exempt Grant** means a grant to which Subdivision 83A-B of the Tax Act applies and under which an Eligible Person is offered Restricted Shares not exceeding a total value of \$1,000 or such other amount as permitted under the Tax Act that may be reduced from the assessable income of that Eligible Person for the income year in which the Eligible Person acquires those Restricted Shares.

**Exercise Price** means the amount payable (if any) on exercise of a vested Right or Option, as determined by the Board and specified in the Invitation.

**Expiry Date** means the date on which a Plan Interest lapses or is forfeited.

**Forfeiture Conditions** means the conditions (if any) that result in the lapse or forfeiture of the Plan Interest as specified in the Invitation.

**Group** means the Company and any Subsidiary of the Company.

**Holding Lock** has the same meaning as in the Listing Rules.

**Holding Lock Period** means the period commencing on the Date of Registration and expiring on the date as specified in the Invitation.

**Invitation** means an invitation to apply for Plan Interests under the Plan made in accordance with clause 3.1 and clause 3.2.

**Law** means any applicable statute, regulation, by-law, ordinance, subordinate legislation, policy or rule in force from time to time in the relevant jurisdiction, including common law and equity.

**Legal Personal Representative** means:

- (a) the executor of the will or an administrator of the estate of a deceased person;
- (b) the trustee of the estate of a person under a legal disability; or
- (c) any beneficiary of the estate of the deceased person as nominated by the executor, administrator or trustee.

**Listing Rules** means the official listing rules of the ASX.

**Option** means a right to acquire a Share or Restricted Share (by transfer or issue at the election of the Company), on the terms specified in the Invitation.

**Participant** means a person who acquires a legal or beneficial interest in Plan Interests under the Plan and includes a Legal Personal Representative of the person.

**Performance Period** means the period as specified in the Invitation.

**Permanent Disability** means, in relation to a Participant, the inability, by reason of physical condition, mental illness or accident, of the Participant to perform substantially all of the duties of the position in which the Participant has been employed or appointed (as determined by the Board).

**Plan** means the PEXA Group Limited Equity Incentive Plan established by the Board and operated in accordance with these Rules and any additional rules made pursuant to clause 10.2(a) or terms specified in the Invitation.

**Plan Interest** means a Right, Option or Restricted Share allocated under the Plan.

**Qualifying Reason** means, in relation to a Participant, the cessation of employment of the Participant with the Group due to his or her retirement, genuine redundancy, death, Permanent Disability or any other reason determined by the Board from time to time.

**Restricted Share** means a Share allocated under the Plan on the terms specified in the Invitation.

**Right** means a right to acquire a Share or Restricted Share (by transfer or issue at the election of the Company), on the terms specified in the Invitation.

**Rules** means these rules governing the Plan as amended from time to time pursuant to clause 10.1, and includes any additional rules made pursuant to clause 10.2(a) or terms specified in the Invitation.

**Salary Sacrifice Grant** means a fee, sacrifice or bonus arrangement which is intended to be subject to the deferred taxation arrangements as permitted under the Tax Act and to which Subdivision 83A-C of the Tax Act applies.

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

**Shareholder** means a holder of Shares.

**Subsidiary** has the meaning given to it in the Corporations Act.

**Tax** includes any tax (whether direct or indirect), levy, impost, 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* or any additional legislation which applies to Employee Share Schemes.

**Third Party Right** means:

- (a) any third party interest, including a mortgage, charge, assignment by way of security, lien, pledge, hypothecation, title retention arrangement, preferential right or a trust arrangement;
- (b) any arrangement having a commercial effect equivalent to anything in (a); and
- (c) any agreement to create an interest described in (a) or an arrangement described in (b).

**Trading Policy** means the Company's Securities Trading Policy as required under Listing Rule 12.9.

**Vesting Conditions** means the conditions (if any) that must be satisfied during the Performance Period as specified in the Invitation.

**Vesting Date** means the date on which Vesting Conditions are either satisfied as specified in the Invitation or are determined by the Board to be satisfied.

## 2.2 Interpretation

In these Rules, unless the context otherwise requires:

- (a) a reference to an 'employee' or 'employment' extends to those relationships as contemplated within the meaning of section 83A.325 of the Tax Act;
- (b) a reference to any thing (including an amount or a provision of these Rules) is a reference to the whole and each part of it;
- (c) the singular includes the plural, and vice versa;

- (d) the word 'person' includes an individual, a body corporate, a firm, an unincorporated body, a society, an association and an authority;
- (e) a reference to a particular person includes their legal personal representatives, administrators, successors, substitutes and permitted assigns;
- (f) a reference to the Law is to that Law as amended or replaced;
- (g) a reference to a document or an agreement is to that document or agreement as amended or replaced;
- (h) a reference to '**costs**' includes charges, expenses and legal costs;
- (i) a reference to a '**clause**' in these Rules, '**a rule**' or '**additional rules**' is the clause, the rule or rules (as applicable) as amended or replaced;
- (j) a time means that time in Victoria; and
- (k) the meaning of any general language is not restricted by any accompanying example and the words 'includes', 'including' 'such as' or 'for example' (or similar phrases) are not words of limitation.

### 2.3 **Headings**

Headings in this document are for convenience only and do not affect its meaning.

### 2.4 **Omission of certain provisions**

If (but for this clause) a provision of this document would be illegal, void or unenforceable or contravene the law, this document is to be interpreted as if the provision was omitted.

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## 3. **OPERATION OF THE PLAN**

### 3.1 **Invitation to participate**

Subject to these Rules, the Board may in its unfettered discretion:

- (a) determine the Participants who are eligible to participate in the Plan;
- (b) make an Invitation to an Eligible Person to acquire Plan Interests; and
- (c) grant Plan Interests to an Eligible Person on receipt of a completed Application.

### 3.2 **Form of Invitation**

An Invitation made under clause 3.1 will expressly state whether the grant is an Exempt Grant or Deferred Grant and otherwise will be in such form and content and subject to such terms as the Board determines, and may include the following as applicable:

- (a) the number or value of Plan Interests for which that Eligible Person may apply;
- (b) the amount payable by the Eligible Person (if any) to acquire Plan Interests;
- (c) the Performance Period and the Vesting Conditions that apply (if any);
- (d) the Forfeiture Conditions, the Disposal Restrictions and the Holding Lock Period (if any);

- (e) the Expiry Date and the Exercise Price (if any); and/or
- (f) any other matters required to be specified at the time of the offer by either the Corporations Act or the Listing Rules.

### 3.3 **Application**

- (a) Applications to participate in the Plan by an Eligible Person must be made in accordance with the instructions that accompany the Invitation, or in any other way the Board determines.
- (b) The Board may determine that an Application by an Eligible Person who would otherwise be eligible to participate in the Plan will not be accepted.
- (c) Each Eligible Person is, by submitting a completed Application, deemed to have agreed to be a Shareholder and to:
  - (i) be bound by the terms of the Invitation and Application;
  - (ii) be bound by these Rules;
  - (iii) be bound by the Constitution;
  - (iv) consent to the Company providing any Administrator with the Eligible Person's:
    - (A) bank account details as recorded by the Company for payroll purposes; and
    - (B) tax file number as recorded by the Company.

### 3.4 **Plan Interests subject to the Rules**

Generally, Plan Interests will be subject to these Rules until such time as the Plan Interest:

- (a) is registered in the name of the Participant;
- (b) has satisfied all Vesting Conditions; and
- (c) is not subject to any Disposal Restrictions.

### 3.5 **Binding nature of these Rules**

The Plan shall operate in accordance with these Rules, which binds the Company and each Participant.

### 3.6 **Issue, Transfer or On-Market Acquisition**

Restricted Shares or Shares (as applicable) may be delivered to a Participant located in various jurisdictions by the issue, transfer and/or purchase of Restricted Shares or Shares, in the absolute discretion of the Board.

### 3.7 **Trustee**

The Board may appoint a trustee on terms which it considers appropriate to acquire and hold Restricted Shares or Shares (as applicable) either on behalf of Participants or for the purpose of the Plan.

### **3.8 Ranking of Restricted Shares**

Restricted Shares will rank equally with all existing Shares on and from the Date of Registration in respect of all Shareholder entitlements (including rights issues, bonus issues and dividends) which have a record date for determining entitlements on or after the date of issue of those Restricted Shares.

### **3.9 Quotation and rights of Rights and Options**

- (a) Where Restricted Shares or Shares (as applicable) are not yet quoted on the official list of ASX, the Company must apply for quotation of those Restricted Shares or Shares on the official list of ASX as soon as practicable.
- (b) The Company will not seek quotation of any Rights or Options on ASX.
- (c) Rights and Options do not have the same rights as Shares and do not carry any voting rights or rights to dividends.

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## **4. LIMITATIONS ON OFFERS OF PLAN INTERESTS**

### **4.1 Overriding Restrictions**

Notwithstanding anything else in these Rules, the Plan must be operated in accordance with the Constitution, any Law and the Listing Rules.

### **4.2 No assignment or transfer**

Unless the Board determines otherwise, a Participant must not assign or transfer to any other person any of their legal or equitable rights to Plan Interests, except to a Participant's Legal Personal Representative.

### **4.3 No Disposal of Restricted Shares**

Participants must not Dispose of any Restricted Share until the removal of any Disposal Restrictions.

### **4.4 Trading Policy**

Participants must comply with the Trading Policy at all times.

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## **5. STATEMENT OF PLAN INTERESTS**

As soon as practicable after the allotment of Plan Interests, the Company must make available to the Participant a statement which will include all relevant information in relation to the grant and any information required by any Law.

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## **6. VESTING AND CONVERSION**

### **6.1 No Interest**

A grant of Rights or Options does not confer any legal or equitable interests in Restricted Shares or Shares (as applicable) represented by the Rights or Options until the relevant Vesting Date and any exercise or conversion to Restricted Shares or Shares (as applicable) has been completed.

### **6.2 Vesting, exercise and conversion of Rights or Options**

Unless the Board determines otherwise, the vesting, exercise and conversion of any Right or Option (as applicable) will only occur in accordance with the terms specified in the Invitation.

### **6.3 Discretion to make cash payment**

- (a) The Board may determine that a vested and exercised Right or Option (as applicable) will be satisfied by the Company making a cash payment to the Participant in lieu of allocating Shares to the Participant.
- (b) Where the Board exercises its discretion under clause 6.3(a), the Company must pay to the Participant, as soon as practicable, an amount in Australian Dollars (or any other currency determined by the Board in its absolute discretion) calculated by:
  - (i) multiplying the number of vested Rights or Options by the Current Market Price;
  - (ii) deducting any Exercise Price (as applicable); and
  - (iii) deducting and/or withholding any applicable Tax and any other amounts required by Law to be deducted or withheld from payment.

### **6.4 Cashless exercise**

The Board may determine in its absolute discretion that a Participant will not be required to provide payment of the Exercise Price of any Right or Option (as applicable) by cash, cheque or some other method acceptable to the Company, but that on the exercise of the Rights or Options (as applicable) the Company will allocate the number of Shares to the Participant that are equal in value to the difference between the Exercise Price payable in relation to the Rights or Options (as applicable) and the Current Market Price of the Shares as at the time of the exercise (with the number of Shares rounded down).

### **6.5 Waiver, amendment or replacement**

The Board may waive, amend or replace any performance measure in a Vesting Condition attaching to a Right or Option if the Board determines that the specific measure is no longer appropriate or applicable, provided that the interests of the relevant Participant are not, in the opinion of the Board, materially prejudiced or advantaged relative to the position reasonably anticipated at the time of the grant.

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## **7. LAPSE**

### **7.1 Lapse of Plan Interests**

Subject to the Invitation, a Plan Interest will lapse upon the earliest to occur of:

- (a) the Expiry Date;
- (b) the failure to meet a Vesting Condition; or
- (c) the occurrence of a Forfeiture Condition.

### **7.2 Effect of lapse**

On a Plan Interest lapsing, all rights of a Participant in respect of that Plan Interest cease and no consideration or compensation will be payable for or in relation to that lapse.

### **7.3 Cessation of Employment**



- (a) Unless the Board determines otherwise, where a Participant ceases to be an employee of the Group all unvested Plan Interests held by, or on behalf of, the Participant, will lapse or be forfeited (as applicable).
- (b) Where the Board exercises its discretion under clause 7.3(a), it will give written notice to the Participant of its decision, the impact on the Participant's Plan Interests and any other information required by Law.

#### **7.4 Qualifying Reason**

- (a) Unless the Board determines otherwise, where a Participant ceases to be an employee of the Group due to a Qualifying Reason, the Participant will continue to hold unvested Plan Interests on a pro-rata basis based on the proportion of the Performance Period that has lapsed.
- (b) All other unvested Plan Interests held by the Participant will lapse or are deemed to be forfeited (as applicable) immediately, unless the Board determines otherwise.

#### **7.5 Fraud, dishonesty or material breach of obligation**

Where, in the opinion of the Board, a Participant acts fraudulently or dishonestly, or in the case of gross misconduct or material misstatement of the Company's financial statements or the Participant is in material breach of his or her obligations to the Group, any:

- (a) unvested Plan Interests;
- (b) vested but unexercised Options or Rights (as applicable); and/or
- (c) Restricted Shares,

held by, or on behalf of, the Participant will lapse or are deemed to be forfeited (as applicable) immediately, unless the Board determines otherwise.

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### **8. PRO-RATA ISSUES, RECONSTRUCTIONS OF CAPITAL AND TAKEOVERS**

#### **8.1 General**

Subject to clause 8.3, in respect of a Right or Option, a Participant may not participate in:

- (a) new issues of Shares to Shareholders;
- (b) bonus issues of Shares or other securities to Shareholders; or
- (c) any pro-rata issue of Shares or other securities pro-rata to Shareholders,

unless the Right or Option is exercised and converted into Shares or Restricted Shares (as applicable) before the record date for the relevant issue.

#### **8.2 Reconstructions**

In the event of any reconstruction (including consolidation, subdivision, reduction, capital return, buy back or cancellation) of the Share capital of the Company, the number of Shares or Restricted Shares (as applicable) that may be acquired by each Participant and/or the Exercise Price) (if any) payable by the Participant for the acquisition of the Shares or Restricted Shares, must be reconstructed to the extent necessary to comply with the Listing Rules, and in a manner that does not result in any additional benefits being conferred on Participants that are not conferred on Shareholders. However in all other respects, the terms for the conversion of Rights or Options will remain unchanged.

### 8.3 **Bonus issues**

If, prior to the exercise of any Right or Option, the Company makes a bonus issue to the holders of its Shares, and the Right or Option is not exercised prior to the record date in respect of that bonus issue, the Right or Option will, when exercised, entitle the holder to one Share plus the number of bonus shares which would have been issued to the holder if the Right or Option had been exercised prior to the record date.

### 8.4 **Pro-rata Issues**

If, prior to the exercise of any Right or Option, the Company makes a pro-rata offer of Shares to Shareholders, and the Right or Option is not exercised prior to the record date in respect of that offer, the Exercise Price of the Right or Option will be adjusted in accordance with the formula in the Listing Rules.

### 8.5 **Change of Control**

If there is a Control Event, the Board may in its discretion give written notice to Participants of the Control Event and:

- (a) convert all or any of the Participant's Rights to Shares whether or not the Vesting Conditions have been satisfied; and/or
- (b) permit the exercise of some or all Rights or Options (as applicable) whether or not the Vesting Conditions have been satisfied; and/or
- (c) remove any Disposal Restrictions whether or not all requirements have been satisfied.

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## 9. **TERMINATION OR OTHER BENEFITS**

- (a) This rule applies to all termination payments to which Part 2D.2 Division 2 of the Corporations Act applies or any other Law or the Listing Rules that applies to termination payments.
- (b) Nothing in these Rules:
  - (i) authorises the Board to provide any termination or other benefit to a Participant which, without the approval of Shareholders, would be prohibited under the Corporations Act or the Listing Rules; or
  - (ii) requires the Board to seek approval of Shareholders in relation to the provision of any termination or other benefit to a Participant.
- (c) Any benefits required to be provided to a Participant under these Rules must be reduced to ensure compliance with the Corporations Act in accordance with clause 9(b).

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## 10. **ADMINISTRATION OF THE PLAN**

### 10.1 **Amendment**

Subject to clause 4.1, these Rules may be amended at any time and from time to time by the Board, in the Board's absolute unfettered discretion.

### 10.2 **Powers of the Board**

Subject to clause 4.1, the Plan will be managed by the Board which will have power to:

- (a) amend existing Rules and/or make and amend additional rules and terms and/or procedures for the operation, control and administration of the Plan and any matter incidental to the Plan;
- (b) resolve conclusively all questions of fact or interpretation arising in connection with the Plan;
- (c) determine matters falling for determination in connection with the Plan;
- (d) delegate to any one or more persons (for such period and on such terms as it may determine) the exercise of any of its functions, powers or discretions arising under the Plan; and
- (e) appoint (and remove) an Administrator to administer the Plan.

### 10.3 **Discretion of Board**

A determination, decision, approval or opinion of the Board under these Rules will be in the absolute unfettered discretion of the Board.

### 10.4 **Decision Final**

In the absence of manifest error, the determination, decision, approval, opinion, calculations or adjustments of the Board will be final and conclusive and binding on the Participants.

### 10.5 **Termination or suspension of the Plan**

The Board may terminate or suspend the operation of the Plan at any time provided that the termination or suspension does not affect or prejudice the existing rights of Participants at that time.

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## 11. **EMPLOYMENT RIGHTS**

### 11.1 **No compensation**

The Plan may be terminated or suspended at any time the Board determines and no compensation under any employment contract will arise as a result.

### 11.2 **Calculation of employee benefits**

The value of Plan Interests allocated under the Plan does not increase a Participant's income for the purpose of calculating any employee benefits.

### 11.3 **No right to future employment**

Participation in the Plan does not confer on any Participant any right to continue as an employee of the Group.

### 11.4 **Termination of employment**

- (a) Participation in the Plan does not affect any rights which the Group may have to terminate the employment of any Participant.
- (b) Nothing in these Rules, including participation in the Plan, may be used to increase damages in any action brought against the Group in respect of any termination of employment with the Group.

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## **12. NOTICES**

### **12.1 Notice to Participants**

Any notice or direction given under these Rules is validly given to a Participant if:

- (a) delivered by hand to the Participant;
- (b) sent by ordinary prepaid post to the Participant's recorded address; or
- (c) sent by email to the Participant's recorded email address or given in any reasonable manner which the Board determines.

### **12.2 Notice to the Company**

Any notice given by a Participant to the Company under these Rules must be in writing and directed to the address or email address notified in the Invitation, or if no address is specified, to the Company's registered address.

### **12.3 Receipt of notices**

Notices are taken to be received if:

- (a) delivered by hand, on delivery;
- (b) sent by ordinary prepaid post, five Business Days after the date of posting; and/or
- (c) sent by email, when the electronic communication enters the relevant information system(s).

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## **13. PLAN COSTS AND EXPENSES**

### **13.1 Costs of the Company**

- (a) Subject to clause 13.2, the Company must pay all costs relating to the establishment and operation of the Plan.
- (b) The Company is not responsible for any Taxes which may become payable in connection with the Participant's Plan Interests.

### **13.2 Costs of Participants**

- (a) Each Participant will pay all costs and expenses in relation to the sale, transfer or other disposal of any Restricted Shares or Shares (as applicable).
- (b) Each Participant is responsible for all Taxes which may become payable in connection with the Participant's Plan Interests.

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## **14. WITHHOLDING TAX**

The Group may withhold from amounts otherwise owing to a Participant, or require the Participant to remit to it, an amount sufficient to satisfy all withholding tax obligations.

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**15. INCONSISTENCY**

To the extent that the terms of an Invitation are inconsistent with these Rules, these Rules will prevail.

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**16. GOVERNING LAW AND JURISDICTION**

16.1 The laws of the Victoria, Australia govern these Rules and the rights of the Participants under these Rules.

16.2 Each Participant irrevocably and unconditionally submits to the exclusive jurisdiction of the courts of the State of Victoria and courts entitled to hear appeals from those courts.