

Rules of the Appen Butler Hill Employee Share Option Plan

Appen Holdings Pty Ltd ACN 138 878 298

Sydney

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Rules

Date

1 Definitions

In these Rules, unless the contrary intention appears:

Application Form means the form that the Board determines is to be used by an Eligible Employee to make an offer to participate under the Plan.

ASX Listing Rules means the listing rules of ASX Limited (as modified or supplemented from time to time).

Board means the board of directors of the Company or a committee appointed by the board of directors of the Company.

Business Day means a day on which banks are open for general banking business in Sydney, excluding Saturdays and Sundays.

Company means Appen Holdings Pty Ltd ACN 138 878 298.

Constitution means the Company's constitution.

Control of an entity means having the right:

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

For this definition, if the entity does not have a board of directors, "director" means a member of the entity's governing body with a role similar to a board of directors.

Change of Control Event means any of the following:

- a. an offer is made by a person for the whole of the issued ordinary share capital of the Company (or any part as is not at the time owned by the offeror or any person acting in concert with the offeror) and after announcement of the offer the offeror (being a person who did not Control the Company prior to the offer) acquires Control of the Company;
- b. any other event occurs which causes a change in Control of the Company; or
- c. any other event which the Board reasonably considers should be regarded as a Change of Control Event.

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

Current Market Price of a Share, at a particular time, means the market price determined in good faith by the Board.

Date of Grant means, in relation to an Option, the date on which the Option is granted to the Participant.

Deed of Accession means a deed of accession to the Shareholders' Agreement.

Dispose means, in relation to a Share, to sell, transfer, grant an option over, create a Third Party Right in, deal with or otherwise dispose of the Share or any interest in the Share, and **Disposal** has a corresponding meaning.

Eligible Employee means an Employee selected by the Board to participate in the Plan.

Employee means:

- a. an employee of any Group Company; or
- b. a director of any Group Company who holds a salaried employment or office in a Group Company.

Exercise Conditions has the meaning given in rule 7.2.

Exercise Date means the date the Options are exercised by the Participant by issuing an Option Notice in accordance with rule 8.

Exercise Period means, in relation to an Option, the period which the Option becomes a Vested Option and may be exercised as determined by the Board under rule 6.2d, subject to any other provisions of these Rules.

Exercise Price means the price (if any) which the Participant can subscribe for Shares on exercise of an Option.

Expiry Date means in relation to a Participant, the earlier of:

- a. the fifth anniversary of the date of grant of Options to an Eligible Employee;
- b. the expiration date set out in the relevant invitation letter;
- c. the date on which any condition relating to the exercise of the Option can no longer be satisfied; or
- d. subject to the date of the relevant Participant ceases to be employed or engaged by any member of the Group.

Forfeiture Conditions means the conditions (if any) which forfeit a Participant's right to the relevant Options.

Group means the Company and each Related Body Corporate of the Company.

Group Company means any member of the Group.

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.

Non-Qualifying Leaver has the meaning given to it in the Shareholders' Agreement.

Option means the right to subscribe for or acquire one Share in accordance with these Rules and the terms set out in an invitation given to an Eligible Employee (if any).

Option Notice means a notice issued by a Participant to the Company in accordance with rule 8.2a.

Participant means an Eligible Employee who has been made an offer by the Company to participate in the Plan and who has successfully applied to participate in the Plan.

Permanent Disability means the permanent inability, by reason of physical condition, mental illness or accident, of a 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 Appen Butler Hill Employee Share Option Plan governed by these Rules.

Purpose means, in relation to the collection of personal information as contemplated by rule 13, the facilitation of the operation and the administration of the Plan.

Qualifying Leaver has the meaning given to it in the Shareholders' Agreement.

Redundancy means the termination or cessation of a Participant's employment or office with the Company and all Group Companies due to a determination that the need to employ a person for the particular kind of work carried out by that Participant has ceased (but, for the avoidance of any doubt, does not include the dismissal of any Participant for personal or disciplinary reasons or where the Participant leaves the employ of the Company of his or her own accord).

Related Body Corporate has the meaning given in section 9 of the Corporations Act.

Restricted Business means any business that is the same as or similar to, or completes with, the business or a substantial part of the business of any Group Company.

Rules means this document, including any schedule or annexure to it.

Sale means an accepted offer of 100% of the issued shares in the Company

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

Shareholder means a holder of Shares.

Shareholders' Agreement means the Conformed Shareholders' Agreement dated 23 October 2009 between the Company and its then Shareholders.

Special Circumstance means, in relation to a Participant:

- a. Permanent Disability;
- b. death; or
- c. Redundancy.

Specific Terms mean the terms and conditions relating to the grant of the Options as set out in an invitation to an Eligible Employee (including any terms and conditions under rule 6.2).

Tax Act means the *Income Tax Assessment Act 1936* (Commonwealth of Australia) or the *Income Tax Assessment Act 1997* (Commonwealth of Australia) or both, as the context requires.

Third Party Right means any third party interest, including a Security Interest (as defined in the *Personal Property Securities Act 2009* (Cth)) or any other

mortgage, charge, assignment by way of security, lien, pledge, hypothecation, retention of title arrangement, preferential right or a trust arrangement.

Vested Option means an Option in respect of which all Vesting Conditions have been met or which are otherwise exercisable.

Vesting Conditions means, in relation to an Option, the period of time, performance hurdles and other conditions (if any) determined by the Board that must be satisfied before the Option can be vested.

2 Interpretation

In these Rules, unless context indicates a contrary intention:

- a. **(documents)** a reference to these Rules or another document includes any document which varies, supplements, replaces, assigns or novates these Rules or that other document.
- b. **(references)** a reference to a party, clause, paragraph, schedule or annexure is a reference to a party, clause, paragraph, schedule or annexure to or of these Rules.
- c. **(headings)** clause headings and the table of contents are inserted for convenience only and do not affect the interpretation of these Rules.
- d. **(person)** a reference to a person includes a natural person, corporation, statutory corporation, partnership, the Crown and any other organisation or legal entity and their personal representatives, successors, substitutes (including persons taking by novation) and permitted assigns.
- e. **(party)** a reference to a party to a document includes that party's personal representatives, executors, administrators, successors, substitutes (including persons taking by novation) and permitted assigns.
- f. **(rights and obligations)** a reference to a right or obligation of a party is a reference to a right or obligation of that party under these Rules.
- g. **(requirements)** a requirement to do any thing includes a requirement to cause that thing to be done, and a requirement not to do any thing includes a requirement to prevent that thing being done.
- h. **(including)** including and includes are not words of limitation, and a list of examples is not limited to those items or to items of a similar kind.
- i. **(corresponding meanings)** a word that is derived from a defined word has a corresponding meaning.
- j. **(singular)** the singular includes the plural and vice-versa.
- k. **(gender)** words importing one gender include all other genders.
- l. **(parts)** a reference to one or more things includes each part and all parts of that thing or group of things but nothing in this clause implies that part performance of an obligation constitutes performance of that obligation.
- m. **(rules of construction)** neither these Rules nor any part of them are to be construed against the Company on the basis that the Company or its lawyers were responsible for its drafting.

- n. **(legislation)** a reference to any legislation or provision of legislation includes all amendments, consolidations or replacements and all regulations or instruments issued under it.
- o. **(time and date)** a reference to a time or date in connection with the performance of an obligation by a party is a reference to the time and date in Sydney, Australia, even if the obligation is to be performed elsewhere.
- p. **(joint and several)** an agreement, representation, covenant, right or obligation:
 - i. in favour of two or more persons is for the benefit of them jointly and severally; and
 - ii. on the part of two or more persons binds them jointly and severally.
- q. **(writing)** a reference to a notice, consent, request, approval or other communication under these Rules or an agreement between the parties means a written notice, request, consent, approval or agreement.
- r. **(replacement bodies)** a reference to a body (including an institute, association or authority) which ceases to exist or whose powers or functions are transferred to another body is a reference to the body which replaces it or which substantially succeeds to its power or functions.
- s. **(Australian currency)** a reference to dollars or \$ is to Australian currency.
- t. **(month)** a reference to a month is a reference to a calendar month.
- u. **(year)** a reference to a year is a reference to twelve consecutive calendar months.

3 The Plan

The purpose of the Plan is to provide Eligible Employees with an opportunity to share in the growth in value of the Shares and to encourage them to improve the performance of the Group and the Company's return to shareholders. It is intended that the Plan will enable the Group to retain and attract skilled and experienced employees and provide them with the motivation to make the Group more successful.

4 Operation of the Plan

The Plan operates according to these Rules which bind each Group Company and each Participant.

5 Principal conditions

5.1 *Options issued only to Employees*

No Options may be issued to a person under the Plan unless the person remains an Employee as at the Date of Grant, or the Board determines otherwise.

5.2 *Compliance with laws*

The Board may determine at any time that an Eligible Employee is not eligible to participate under the Plan if by participating under the Plan, the Eligible

Employee would fail to comply with or contravene, or the Company or any associate of the Company would fail to comply with or contravene any applicable law.

6 Issue of Options

6.1 *Board may determine issue*

Subject to these Rules, the Board may invite any Eligible Employee selected by it to participate under the Plan.

6.2 *Form of invitation*

The Board must give to each Eligible Employee invited to participate under the Plan, an Application Form to complete, sign and return to the Company, together with the following information:

- a. either:
 - i. the number of Options to which the invitation relates; or
 - ii. the basis on which the number of Options to which the invitation relates is to be determined;
- b. either:
 - i. the date on which the Option will be granted; or
 - ii. the basis on which the date on which the Option will be granted is to be determined;
- c. either:
 - i. the amount to be paid by the Eligible Employee (if any) for the grant of the Options; or
 - ii. the basis on which the amount to be paid by the Eligible Employee (if any) for the grant of the Options is to be determined;
- d. either:
 - i. the Exercise Period; or
 - ii. the basis on which the Exercise Period is to be determined;
- e. either:
 - i. the Exercise Price; or
 - ii. the basis on which the Exercise Price is to be determined;
- f. the Exercise Conditions attaching to the Options (if any);
- g. the Forfeiture Conditions attaching to the Options (if any) and the Forfeiture Conditions attaching to any Shares delivered on exercise of the Options (if any);
- h. the Disposal Restrictions that will apply to the Shares issued following exercise of the Options and, if so, the period not exceeding 2 years for which those Disposal Restrictions will apply;
- i. any other terms and conditions relating to the grant of the Options or the delivery of any Shares on exercise of the Options which in the opinion of the Board, are fair and reasonable but not inconsistent with these Rules;

- j. any other information or documents that the Corporations Act or any other applicable laws require the Company to give to Eligible Employees; and
- k. a copy of these Rules, a copy of the Constitution, a copy of the Shareholders' Agreement and any other information or documents that the Corporations Act or any other applicable laws require the Company to give to the Eligible Employee.

6.3 Offer and acceptance

By completing, signing and returning the Application Form given to an Eligible Employee under rule 6.2, the Eligible Employee offers to participate under the Plan and, on acceptance by the Board of the offer a contract is formed between the Company and the Eligible Employee conferring on the Eligible Employee a right to acquire the Options on the terms and conditions of:

- a. these Rules; and
- b. the Specific Terms.

6.4 No assignment

Unless the Board determines otherwise, a Participant must not assign or deal with, or attempt to assign or deal with, any of their rights under any contract formed under rule 6.3.

6.5 Restriction

The Board must not invite an Eligible Employee to participate in the Plan unless:

- a. Chapter 6D of the Corporations Act does not apply to the invitation;
- b. the invitation does not need disclosure to investors because of section 708 of the Corporations Act;
- c. an exemption from Parts 6D.2 and 6D.3 of the Corporations Act applies to the invitation and all conditions and requirements of that exemption are satisfied; or
- d. the invitation complies with parts 6D.2 and 6D.3 of the Corporations Act.

6.6 Eligible Employee becomes a Participant

On the issue of an Option to an Eligible Employee, the Eligible Employee becomes a Participant and is bound by these Rules.

6.7 Certificates

The Company must give a Participant one or more option certificates in respect of the Options granted to that Participant.

6.8 No interest in Shares

A Participant has no interest in a Share the subject of an Option held by the Participant unless and until the Share is issued to that Participant under these Rules.

6.9 No Disposal

Unless the Board determines otherwise, a Participant must not Dispose of any Option granted under the Plan.

7 Exercise of Options

7.1 *Exercise*

Subject to rule 7.2, an Option is exercisable by a Participant at any time during the Exercise Period.

7.2 *Exercise Conditions*

Subject to rule 9, the exercise of Options by a Participant is conditional on satisfaction of the following:

- a. any Vesting Conditions have been met to the satisfaction of the Board in its absolute discretion;
- b. any other conditions included in an invitation or Application Form have been met to the satisfaction of the Board in its absolute discretion; and
- c. any other conditions imposed by the Board has been met to the satisfaction of the Board in its absolute discretion,

(together the **Exercise Conditions**).

8 Delivery of Shares

8.1 *Entitlement to Subscribe*

Subject to these Rules, each Option:

- a. entitles the Participant to subscribe for or acquire one Share; and
- b. is exercisable in the manner, and at the times, provided by rule 8.2.

8.2 *Exercise of Option*

- a. Subject to rule 7.2, upon vesting, an Option may only be exercised:
 - i. in such form and manner as the Board may determine;
 - ii. if:
 - A. all Exercise Conditions (if any) relating to the Option; and
 - B. all applicable terms and conditions under rule 6.2j (if any) relating to the Option,are satisfied and continue to be satisfied.
 - iii. if the Exercise Price relating to the Option has been paid to the Company or as the Company may direct; and
 - iv. the Option is exercised within the Exercise Period relating to the Option by delivering to the Company written notice that it wishes to exercise some or all of its Options (**Option Notice**).
- b. An Option Notice is irrevocable.

8.3 *Issue of Shares*

- a. Within 10 Business Days of the Exercise Date, the Company must procure that the Participant receives the number of Shares that correspond with the number of Options exercised in accordance with this rule 8 and a share certificate in respect of those Shares.
- b. Without limiting the discretion of the Company as to the way in which it will procure that the Participant receives the Shares under this rule 8, the Company may:

- i. issue to a Participant (or his or her Legal Personal Representative, as the case may be) one Share in respect of each Option of the Participant which is exercised; or
- ii. procure the transfer to a Participant (or his or her Legal Personal Representative, as the case may be) of one Share in respect of each Option of the Participant which is exercised.

8.4 Shares rank equally

- a. Subject to the restrictions under rule 10, Shares acquired under the Plan rank equally in all respects with all other Shares from the date of acquisition, including with respect to:
 - i. voting rights; and
 - ii. entitlements to participate in:
 - A. distributions and dividends; and
 - B. future rights issues and bonus issues,if the record date for determining entitlements falls on or after the date of allotment and issue.
- b. Prior to Shares being acquired by a Participant under rule 8, the Participant will not have any right or interest in the Shares and will have no right to participate in an issue of new Shares to existing Shareholders that occurs before the Participant's Options are exercised.

8.5 Reconstructions

- a. Subject to paragraph c below and the ASX Listing Rules, in the event of any reconstruction (including consolidation, subdivision, reduction, capital return, buy back or cancellation) of the share capital of the Company prior to the exercise of the Options, the number of Shares that may be acquired by each Participant on exercise of their Options and/or the consideration (if any) payable by the Participant for the exercise of their Options must be reconstructed accordingly, in a manner that does not result in any additional benefits being conferred on Participants that are not conferred on shareholders of the Company.
- b. The Company must give notice to each Participant of any adjustment to the Options and/or Shares to which the Participant is entitled pursuant to the provisions of rule 8.5a.
- c. The rights of the Participant will be changed to the extent necessary to comply with the ASX Listing Rules applying to the reorganisation of capital at the time of the reorganisation.

8.6 Appointment of attorney

The Company and each person nominated by the Company from time to time are irrevocably appointed jointly and severally by each Participant as attorney to do all things necessary or considered appropriate by the Company to effect an issue, transfer or allocation of Shares on exercise of Options, including agreeing to become a member of the Company and bound by the Constitution on the Participant's behalf.

8.7 *Deed of accession*

The Eligible Employee must deliver to the Company the Deed of Accession in the form given to the Eligible Employee by the Board, duly executed by the Eligible Employee.

9 Lapse of Options

9.1 *Lapse of Unexercised Options*

- a. Subject to rule 9.2, if a Participant ceases to be employed by a company in the Group for any reason (including as a result of a Special Circumstance) or a Change of Control Event in respect of the Company occurs all unvested Options granted to that Participant automatically lapse.
- b. Subject to rule 9.3, if the Exercise Conditions in relation to an Option are not satisfied before 5pm AEST on the Expiry Date, the Options will lapse at 5pm AEST on the Expiry Date. If the Exercise Conditions are not satisfied by the Expiry Date, the Board must give the Participant written notice that the Exercise Conditions have not been satisfied.
- c. An unexercised Vested Option held by a Participant lapses if the Participant's employment with a Group Company is terminated in circumstances where the Participant is a Non-Qualifying Leaver.
- d. If the Participant's employment with a Group Company is terminated in circumstances where the Participant is a Qualifying Leaver, any unexercised Vested Options held by the Participant may be exercised in accordance with these Rules within 30 days of the date of termination. Any Vested Options which are not exercised within that period will lapse.

9.2 *Vesting brought forward*

- a. If a Sale happens while a Participant is employed with the Group, all options vesting within 12 months of the date of the Sale will automatically become Vested Options on the date of the Sale.
- b. If a Special Circumstance happens in respect of a Participant or a Change of Control Event in respect of the Company occurs while a Participant is employed with the Group, the Board may, in its absolute discretion, having regard to the period of time elapsed prior to the time in which the Options become Vested Options and the extent to which any Exercise Conditions have been met, determine to:
 - i. bring forward the vesting of all Options held by the Participant to a date determined by the Board; and
 - ii. waive or vary any Exercise Conditions in regard to any Options held by the Participant in accordance with rule 7.2.
- c. If the Board determines to bring forward the vesting of an Option and waive or vary the Exercise Conditions under rule 7.2, the Company:
 - i. must within 14 days of the alteration give notice to each Participant affected by the alteration in respect of the Option held by the Participant; and

- ii. make appropriate arrangements to ensure such Options are able to be exercised on or prior to, or as a result of, the happening of a Special Circumstance or a Change of Control Event.

9.3 *Waiver of Exercise Conditions*

The Board may, at its discretion, by notice to the Participant reduce or waive the Exercise Conditions attaching to some or all of the Options of a Participant in whole or in part at any time and in any particular case including due to Special Circumstance or a Change of Control Event.

10 Restrictions on transfer

10.1 *Restriction*

A Participant must not Dispose of any Share acquired by the Participant under the Plan unless:

- a. the Board, in its absolute discretion, gives its prior written consent to the Disposal; and
- b. the Disposal is in accordance with the Shareholders' Agreement and the Constitution.

10.2 *Enforcement*

The Company may administer its register of members, and do all things necessary or desirable, for the purpose of preventing a contravention of rule 10.1. In particular, but without limitation, the Company may refuse to register a transfer of a Share acquired by a Participant under the Plan that would involve a contravention of rule 10.1.

10.3 *Share certificates*

A Participant must surrender to the Company all share certificates issued in respect of Shares acquired by the Participant under the Plan.

11 Administration of the Plan

11.1 *Administration*

The Plan is administered by the Board.

11.2 *Powers of the Board*

The Board has power to:

- a. determine appropriate procedures and make regulations for the administration and operation of the Plan which are consistent with these Rules;
- b. resolve conclusively all questions of fact or interpretation arising in connection with the Plan;
- c. exercise the discretions conferred on it by these Rules or any contract formed between the Company and a Participant under the Plan or which may otherwise be required in relation to the Plan;
- d. terminate or suspend the operation of the Plan at any time, provided that the termination or suspension does not adversely affect or prejudice the rights of Participants holding Vested Options at that time;

- e. delegate those functions and powers it considers appropriate, for the efficient administration of the Plan, to any person or persons whom the Board reasonably believes to be capable of performing those functions and exercising those powers;
- f. take and rely upon independent professional or expert advice in or in relation to the exercise of any of their powers or discretions under these Rules; and
- g. administer the Plan in accordance with these Rules as and to the extent provided in these Rules.

11.3 Exercise of powers or discretion

Any power or discretion which is conferred on the Board by these Rules may be exercised by the Board in the interests or for the benefit of the Company, and the Board is not, in exercising that power or discretion, under any fiduciary or other obligation to another person.

11.4 Determinations

Where these Rules provide for a determination, decision, approval or opinion of the Board, that determination, decision, approval or opinion may be made or given by the Board in its absolute discretion.

11.5 Tax

No Group Company or any adviser to a Group Company or the Board is liable for any tax which may become payable by a Participant in the Plan and none of them represent or warrant that any person will gain any taxation advantage by participating in the Plan.

11.6 Indemnification

The Company must indemnify, and keep indemnified, to the full extent permitted by law, each person who is or has been a director or other officer of the Company against all proceedings, actions, claims, demands, losses, liabilities, damages, costs and expenses which may be made, brought against, suffered or incurred by the person arising directly or indirectly out of or in connection with the administration of the Plan.

11.7 Commencement of Plan

The Plan will take effect on and from such date as the Board may resolve.

11.8 Termination or suspension of Plan

The Board may terminate or suspend the operation of the Plan at any time. In the event of a suspension or termination, these Rules (including rule 11.2) will continue to operate with respect to any rights under any contract formed under rule 6.3, or any Shares acquired by a Participant under the Plan, prior to that suspension or termination.

11.9 Resolution to terminate, suspend, supplement or amend

In passing a resolution to terminate or suspend the operation of the Plan or to supplement or amend these Rules, the Board must consider and endeavour to ensure that there is fair and equitable treatment of all Participants.

12 Confidentiality

- a. Subject to rule 12b, each Participant must keep confidential all information and documents disclosed to the Participant in connection with the Plan, including:
 - i. these Rules (including any summary of the Rules) and the Specific Terms;
 - ii. the Constitution;
 - iii. the information and documents given to the Participant under rule 6.2;
 - iv. the Current Market Price; and
 - v. information and documents of every kind concerning or in any way connected with the Company, its trade secrets or its financial or business affairs, including financial reports, performance reports, business plans and marketing plans.
- b. Rule 12a does not impose obligations on a Participant concerning information and documents which that Participant proves to the reasonable satisfaction of the Company:
 - i. became publicly available without breach of an obligation of confidence; or
 - ii. was or were disclosed by the Participant with the Company's prior authorisation, or in the proper performance of the Participant's duties for the Company, or as obliged by law.

13 Data protection

13.1 *Collection and purpose*

The Company needs to collect personal information about Eligible Employees for the Purpose. If this personal information is not provided to the Company, the Company may not be able to achieve the Purpose.

13.2 *Consent*

By completing and returning an Application Form, an Eligible Employee authorises and instructs each Group Company and any agent of any Group Company:

- a. to collect, disclose and transfer between each other (including those located outside Australia) any personal information as the Company may request;
- b. to disclose any personal information to the Australian Taxation Office, the Australian Securities and Investments Commission or any governmental agency or authority as may be required in connection with the administration of the Plan; and
- c. to store and process personal information, in accordance with the Purpose. An Eligible Employee may withdraw this authorisation.

13.3 Access to personal information

An Eligible Employee may access any personal information held by the Company for the Purpose by contacting the Company secretary and may require any personal information to be corrected if that personal information is inaccurate or incomplete.

14 Power of attorney

14.1 Appointment

Each Participant irrevocably appoints the Company as the Participant's attorney to do any one or more of the following things on behalf of the Participant and in the name of the Participant:

- a. to execute under hand or seal and (if appropriate) deliver, or otherwise effect the entry by the Participant into, any documents that the Board determines are necessary or desirable to give effect to, or evidence participation by the Participant under, the Plan;
- b. to perform any act, matter of thing which, in the opinion of the Board, is contemplated by, incidental to or necessary or desirable to give effect to, or evidence participation by the Participant under, the Plan; and
- c. to appoint any one or more substitute attorneys to exercise any of the powers under rules 14.1a or 14.1b and to revoke any of those appointments.

14.2 Ratification

Each Participant ratifies and confirms whatever the Company or any other attorney does in exercising powers under rule 14.1. Each Participant declares that all acts, matters and things done by the Company or any other attorney in exercising powers under rule 14.1 will be as good and valid as if they had been done by the Participant.

14.3 Indemnity

Each Participant indemnifies the Company and each other person who exercises powers under rule 14.1 against all liability and loss arising from and all costs incurred in connection with an exercise of powers under rule 14.1.

15 Employment rights

15.1 Acknowledgement by Participant

It is acknowledged and accepted by each Participant that:

- a. neither these Rules nor and any contract formed between the Company and the Participant under the Plan form part of any contract or terms and conditions of employment or appointment, or any arrangement in respect of any such employment or appointment, between an Eligible Person and a Group Company, nor do they constitute a related condition or collateral arrangement to any such contract or arrangement;
- b. participation in the Plan will not in any way affect the rights and obligations of an Eligible Person under the terms under which he or she is employed or appointed; and

- c. the terms of an Eligible Person's employment or appointment with a Group Company will not in any way affect the rights and obligations of a Participant under this Plan.

15.2 No claims

A Participant has no right to compensation or damages from any Group Company in respect of any loss of future rights under the Plan, as a consequence of termination of the Participant's employment or appointment for any reason.

15.3 Discretion of board

It is a condition of these Rules that the Plan may be terminated or suspended at any time at the discretion of the Board and that no compensation under any employment contract will arise as a result.

15.4 No right to acquire Options

Except as expressly provided in these Rules, participation under the Plan does not confer on any Eligible Employee any right to acquire Options or Shares under the Plan.

15.5 Calculation of employee benefits

The value of Options or Shares acquired under the Plan do not increase a Participant's income or remuneration for the purpose of calculating any employee benefits, including any payment in lieu of notice or redundancy or severance payments.

15.6 No right to future employment

Participation under the Plan does not confer on any Participant any right to future employment and does not affect any rights which any Group Company may have to terminate the employment of any Participant.

16 Financial Assistance

16.1 Loan arrangements

Subject to compliance with all applicable laws, any Group Company may provide to any Eligible Employee any loan or facility or other form of financial accommodation for the purpose of facilitating participation by the Eligible Employee in the Plan.

16.2 Financial assistance

Subject to compliance with all applicable laws, the Company may financially assist a person to acquire Options, Shares under the Plan.

17 Amendment to Rules

17.1 Amendment

Subject to rules 17.2 and 17.3, the Company may at any time by written instrument or by resolution of the Board, amend all or any of the provisions of these Rules (including this rule 17).

17.2 *Accrued rights*

No amendment of the provisions of these Rules may reduce the accrued rights of any Participant in respect of Shares issued under the Plan prior to the date of the amendment, other than:

- a. an amendment introduced primarily:
 - i. for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legal requirements governing or regulating the maintenance or operation of the Plan or like plans;
 - ii. to correct any manifest error or mistake;
 - iii. to enable contributions or other amounts paid by the Company in respect of the Plan to qualify for any tax concession available under the Tax Act;
 - iv. to enable the Participant or the Company to qualify for a fringe benefits tax concession or exemption under the *Fringe Benefits Tax Assessment Act 1986*, or to qualify for a tax concession available under the Tax Act;
 - v. to enable the Company to comply with the Corporations Act or any other applicable laws; or
- b. with the consent of Participants who between them hold not less than 75% of the total number of those Shares held by all those Participants before making the amendment.

17.3 *Retrospectively*

Subject to the above provisions of this rule 17, any amendment made under rule 17.1 may be given such retrospective effect as is specified in the resolution by which the amendment is made and, if so stated, amendments to these Rules, including the terms applicable to Options issued under this Plan, have the effect of automatically amending the terms of Options issued and still subject to these Rules.

17.4 *Eligible Employees outside Australia*

The Board may make any additions, variations or modifications to these Rules or other regulations, in relation to the implementation of the Plan and the specific application of these Rules, to Eligible Employees residing outside Australia, having regard to any securities, exchange control or taxation laws or regulations or similar factors which may apply to that Participant, the Group or the Plan.

18 No warranty

The Company gives no warranty, representation or undertaking that participation in the Plan will result in any financial benefits for Eligible Employees.

19 Notices

Any notice given under or in connection with these Rules (**Notice**):

- a. must be in writing and signed by a person duly authorised by the sender;

- b. must be addressed and delivered to the intended recipient by hand, by prepaid post, by fax or by email at the address, fax number or email address last notified by the intended recipient to the sender after the date of these Rules;
- c. is taken to be given and made:
 - i. in the case of hand delivery, when delivered;
 - ii. in the case of delivery by post, three Business Days after the date of posting (if posted to an address in the same country) or seven Business Days after the date of posting (if posted to an address in another country); and
 - iii. in the case of a fax, on production of a transmission report by the machine from which the fax was sent that indicates the fax was sent in its entirety to the recipient's fax number;
 - iv. in the case of email, when sent
- d. if under rule 19c a Notice would be taken to be given or made on a day that is not a Business Day in the place to which the Notice is sent, or later than 4 pm (local time), it is taken to have been given or made at the start of business on the next Business Day in that place.

20 General

20.1 *Relationship between parties*

- a. Nothing in these Rules:
 - i. constitutes a partnership between the parties; or
 - ii. except as expressly provided, makes a party an agent of another party for any purpose.
- b. A party cannot in any way or for any purpose:
 - i. bind another party; or
 - ii. contract in the name of another party.
- c. If a party must fulfil an obligation and that party is dependent on another party, then that other party must do each thing reasonably within its power to assist the other in the performance of that obligation.

20.2 *Time for doing acts*

- a. If the time for doing any act or thing required to be done or a notice period specified in these Rules expires on a day other than a Business Day, the time for doing that act or thing or the expiration of that notice period is extended until the following Business Day.
- b. If any act or thing required to be done is done after 5.00 pm on the specified day, it is taken to have been done on the following Business Day.

20.3 *Invalidity*

- a. A word or provision must be read down if:
 - i. these Rules is void, voidable, or unenforceable if it is not read down;

- ii. these Rules will not be void, voidable or unenforceable if it is read down; and
 - iii. the provision is capable of being read down.
- b. A word or provision must be severed if:
 - i. despite the operation of rule 20.3a, the provision is void, voidable or unenforceable if it is not severed; and
 - ii. these Rules will be void, voidable or unenforceable if it is not severed.
- c. The remainder of these Rules has full effect even if rules 20.3b.i or ii applies.

20.4 Applicable laws

Notwithstanding any provision of these Rules, Shares may not be allocated, allotted, issued, acquired, held, transferred, delivered or otherwise dealt with under the Plan if to do so would contravene the Corporations Act or any other applicable laws or cause a breach of or default under the Constitution or the Shareholders' Agreement.

20.5 Plan costs

Unless otherwise determined by the Board, the Company must pay all costs relating to the establishment and operation of the Plan.

20.6 Connection with other plans

Unless otherwise determined by the Board, participation under the Plan does not affect and is not affected by, participation in any other incentive or other plan operated by the Company unless the terms of that other plan provide otherwise.

20.7 Governing law and jurisdiction

The laws applicable in New South Wales govern these Rules.

20.8 Voting at general meetings

Participants do not, as Participants, have any right to attend or vote at general meetings of Shareholders.

20.9 Advice

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