

**RIMCAPITAL LIMITED
ACN 064 874 620**

**MANAGING DIRECTOR AND CHIEF
EXECUTIVE OFFICER SHARE OPTION
PLAN
RULES**

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MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER SHARE OPTION PLAN

RULES

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In these Rules, the following words and expressions have the meanings indicated unless the contrary intention appears:

“**ASX**” means ASX Limited ACN 008 624 691.

“**Board**” means all or some of the Directors acting as a board.

“**Constitution**” means the Company’s constitution.

“**Company**” means RIMCapital Limited ACN 064 874 620.

“**Corporations Act**” means the *Corporations Act 2001* (Cth) in force from time to time in the relevant jurisdiction of the Commonwealth of Australia.

“**Date of Grant**” means the date on which the Board resolves to grant an Option to a Participant.

“**Director**” means a director, including both executive and non-executive directors, for the time being of the Company.

“**Employment**” means employment as the Managing Director.

“**Exercise Period**” means the exercise period for an Option determined under Rule 4.2 and Rule 4.5.

“**Exercise Price**” means with respect to a Share:

- (a) the market value of a Share calculated in accordance with section 139FA of the *Tax Act* at the time of the Date of Grant; or
- (b) such other price in respect of a Share as may be determined by the Board.

“**General Meeting**” includes an annual general meeting.

“**Group**” means the Company and any Related Body Corporate of the Company.

“**Listing Rules**” means the Official Listing Rules of ASX in force from time to time and as modified from time to time by the ASX in their application to the Company.

“Managing Director” means the person appointed by the Board as the Managing Director and Chief Executive Officer from time to time.

“MDSOP” means the Managing Director and Chief Executive Officer Share Option Plan established by these Rules, as amended from time to time.

“Notice of Exercise” means a duly completed notice of exercise and application for Shares signed by the Participant in the form approved by the Board from time to time.

“Offer” means an offer made pursuant to Rule 2.2.

“Option” means an option granted under the MDSOP to subscribe for Shares.

“Option Expiry Date” means the date being five years after the Date of Grant or such other date as determined by the Board.

“Participant” means the Managing Director or a nominee of the Managing Director who holds Options granted under the MDSOP.

“Performance Condition” means any condition prescribed by the Board (if any) as a condition that must be satisfied before an Option may be exercised, as further described in any applicable Offer.

“Product Disclosure Statement” has the same meaning as in the *Corporations Act*.

“Redundancy” means termination of Employment of the Managing Director by the Group due to economic, technological, structural or other organisational change where, through no act or default of the Managing Director:

- (a) the Group no longer requires the duties and responsibilities carried out by the Managing Director to be carried out by anyone;
- (b) the Group no longer requires the position held by the Managing Director to be held by anyone, or
- (c) the Group has materially changed the duties and responsibilities or some other fundamental feature of the position held by the Managing Director.

“Related Body Corporate” has the same meaning as in the *Corporations Act*.

“Resignation” means the voluntary termination of Employment by the Managing Director pursuant to his or her employment agreement (if any).

“Rules” means these Rules as amended from time to time.

“Service” means continuous Employment with the Group.

“**Share**” means a fully paid ordinary share issued or where appropriate to be issued in the share capital of the Company.

“**Special Circumstances**” means:

- (a) the death;
- (b) Total and Permanent Disablement;
- (c) Termination; or
- (d) Redundancy

of the Managing Director or the Managing Director ceasing Service as a result of:

- (e) a takeover or change of control (in accordance with Rule 4.9);
- (f) not being re-elected to office by shareholders, or
- (g) such other circumstances as determined by the Board.

“**Tax Act**” means *Income Tax Assessment Act 1936* (Cth).

“**Termination**” means termination of Employment by the Company other than by Termination for Cause.

“**Termination for Cause**” means summary termination of Employment by the Company for serious misconduct or fraud, or termination by the Company or an employee in circumstances where the Company otherwise had the right to summarily terminate the Employment for serious misconduct or fraud. Serious misconduct means conduct amounting to repudiation of the contract of Employment by the Managing Director.

“**Total and Permanent Disablement**” in relation to the Managing Director means that the Managing Director has, in the opinion of the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the Managing Director unlikely ever to engage in any occupation for which he or she is reasonably qualified by education, training or experience.

“**Unvested Option**” means Options that are not Vested Options.

“**Vested Option**” means at any particular date an Option to which the Vesting Date has occurred.

“**Vesting Date**” means the day on which the third anniversary of the Date of Grant falls, or such other date determined by the Board and notified to the Participant when the Options are granted.

1.2 Interpretation

In the interpretation of these Rules unless the contrary intention appears:

- (a) words importing:

- (i) the singular include the plural and vice versa;
- (ii) any gender includes the other gender;
- (b) words which are used in the Rules which are defined in the Listing Rules have a corresponding meaning;
- (c) if a word or phrase is defined in these Rules, cognate words and phrases have corresponding meanings;
- (d) a reference to a statute or code of the *Corporations Act* or the Constitution (or to a provision of any of them) means the statute, code, the *Corporations Act* or the Constitution (or provision of any of them) as modified, amended, replaced or substantially replaced and in operation for the time being or any statute, code or provision enacted (whether by a State of Australia or the Commonwealth of Australia) in its place and includes any regulation or rule for the time being in force under the statute, code, the *Corporations Act* or the Constitution; and
- (e) Headings are inserted for convenience only and do not affect the interpretation of these Rules.

2. OFFERS OF OPTIONS

2.1 Eligibility

The Managing Director or his appointed nominee is the only person eligible to participate in the MDSOP.

2.2 Offers

- (a) The Board may from time to time in its absolute discretion by resolution offer Options to the Managing Director or his appointed nominee.
- (b) Offers to the Managing Director or his appointed nominee for Options shall be made by the Board in writing and shall include or be accompanied by the following information:
 - (i) the number of Options offered;
 - (ii) a summary, or a copy, of these Rules;
 - (iii) the Exercise Price or method of calculation of the Exercise Price for the Shares to which the offer relates;
 - (iv) the Performance Conditions (if any);
 - (v) the Exercise Period; and
 - (vi) the period in which the Offer must be accepted.

2.3 Acceptance and Application

The Managing Director or his appointed nominee receiving an Offer under Rule 2.2 and wishing to accept the Offer shall within the period prescribed by the Board deliver a duly completed acceptance and application on his/her behalf or an appointed nominee of the Managing Director (in the form prescribed by the Company from time to time) to the Company. Any Offer not so accepted will, unless the Board otherwise determines, lapse.

3. ISSUES OF OPTIONS

- (a) Options shall be issued by the Board in accordance with the Constitution, the Listing Rules and these Rules and each Participant will be taken to have agreed to be bound by these Rules on acceptance of any Offer of Options.
- (b) The Board shall issue a certificate or statement for Options evidencing the Option and the number of Shares for which the Participant is entitled to subscribe.

4. OPTION TERMS

4.1 Entitlement

- (a) Subject to Rules 4.10 and 4.11, a Participant shall be entitled to subscribe for and be allotted, credited as fully paid, one Share for each Option held by that Participant.
- (b) Subject to the Rules, the Company must allot Shares on exercise of an Option in accordance with the Constitution, Listing Rules and the *Corporations Act*.
- (c) Shares issued on the exercise of Options will rank *pari passu* with all existing Shares from the date of issue of those Shares, except in respect of dividends, where such new Shares only accrue rights to participate in dividends declared for future full years commencing on the date of exercise.

4.2 Vesting of Options

- (a) For the Options to vest at the Vesting Date, the Participant must be in the Service of the Company at that date or Special Circumstances have occurred in relation to the Participant.
- (b) Subject to Rule 4.3, Options issued to a Participant may only be exercised on or after they vest until and including the day on which they lapse or the Option Expiry Date.

4.3 Exercise of Options

- (a) Subject to Rules 4.2, 4.3(b) and 4.9, an Option may be exercised by a Participant:
 - (i) lodging a Notice of Exercise with the Company;

- (ii) lodging any relevant Option certificate with the Company; and
 - (iii) paying the Exercise Price for each Share to be issued on exercise of the Option.
- (b) Options must be exercised in multiples of 5,000, unless the Participant exercises all Options able to be exercised at that time. The exercise of some Options only shall not affect the Participant's right to exercise other Options at a later time.
 - (c) Options may only be exercised upon satisfaction of the Performance Conditions (if any).

4.4 Lapse of Unvested Options

- (a) An Unvested Option will lapse on termination of Employment unless Special Circumstances have occurred in relation to the Participant.
- (b) Upon Unvested Options lapsing, all rights of a Participant under the MDSOP in respect of Unvested Options shall cease.

4.5 Lapse of Vested Options

A Vested Option not exercised will lapse on the first to occur of:

- (a) the Option Expiry Date;
- (b) the date on which the Participant ceases Service as the result of Termination for Cause; or
- (c) the expiry of 90 days, or any longer period which the Board determines, after the Participant ceases Service as the result of Special Circumstances,

upon a Vested Option lapsing, all rights of a Participant under the MDSOP in respect of the Vested Option shall cease.

4.6 Share Allotment

The Company will as soon as practicable after receipt of a valid Notice of Exercise (together with any relevant Option certificate required under Rule 4.3(a)):

- (a) Allot the number of Shares that are the subject of the Option to the Participant; and
- (b) Cancel any relevant Option certificate, and if only part of the Options to which a relevant certificate relates are exercised, issue a new certificate for the unexercised Options, or if the Board has determined that Options will be uncertificated, issue a statement in relation to the Options held by the Participant which remain unexercised.

4.7 Transfer

Options may not be assigned or transferred except that a legal representative of a Participant who has died or whose estate is liable to be dealt with under mental health laws will be entitled to be registered as the holder of Options held by that Participant, provided that such documents or other evidence as may be reasonably required by the Board are produced to the Board to establish that entitlement.

4.8 Quotation

- (a) The Company will not seek official quotation of any Options.
- (b) The Company will apply to the ASX for official quotation of Shares issued on the exercise of Options.

4.9 Takeover or change of control

Notwithstanding Rule 4.2 in the event that:

- (a) a takeover offer is made to the shareholders of the Company to acquire their Shares and the Board becomes aware that more than 25% of the issued Shares have or will become vested in the offeror and related and associated parties, then the Board shall notify each Participant in writing that all Options granted to the Participant may be exercised by the Participant with effect from the date of such notice and shall be exercisable by a date specified in the notice. Upon receipt of such notice, the Participant shall be entitled to exercise all or any of the Options; or
- (b) the Board concludes that there has been such a change in the control of issued Shares of the Company that the replacement of the majority of the Board is imminent or the Board becomes aware that any person or corporation (including related and associated parties) who is not already so entitled has become entitled to more than 25% of the issued Shares, then Board shall notify each Participant in writing that all Options granted to the Participant may be exercised by the Participant with effect from the date of the notice and shall be exercisable by a date specified in the notice. Upon receipt of such a notice, the Participant shall be entitled to exercise all or any of the Options.

4.10 Future Issues of Shares

- (a) **(Participation):** A Participant may only participate in new issues of Shares to holders of Shares if the Option has been exercised, if participation in such an issue is permitted by its terms, and the Shares allotted in respect of the exercised Option are allotted before the record date for determining entitlements to the issue. The Company must give notice to Participants of any new issue before the record date for determining entitlements to the issue in accordance with the Listing Rules.

(b) **(Bonus Issue):** Subject to the Listing Rules, if there is a bonus issue of Shares to the Company's shareholders, the number of Shares over which an Option is exercisable may be increased by the number of Shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue.

(c) **(Rights Issue):** Subject to the Listing Rules, if

- (i) Shares are offered pro rata for subscription by the Company's shareholders generally by way of a rights issue; and
- (ii) the price at which each Share is offered is less than the market price calculated in accordance with the formula for "P" below, the Exercise Price of each Option is reduced according to the following formula:

$$O' = O - \frac{E(P-(S+D))}{N+1}$$

Where:

- O' = the new Exercise Price of the Option;
- O = the old Exercise Price of the Option;
- E = the number of underlying Shares into which one Option is exercisable;
- P = the average market price per Share (weighted by reference to volume) in the ordinary course of trading on the ASX during the 5 trading days ending on the day before the ex rights or ex entitlements date;
- S = the subscription price for a Share under the pro rata issue;
- D = the dividend due but not yet paid on Shares (except those to be issued under the pro rata issue referred to paragraph (i)); and
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

(d) **(Aggregation):** Where there is a bonus issue or rights issue as contemplated in Rules 4.10(b) and 4.10(c), a Participant may, on exercising Options, aggregate the number of Shares or fractions of Shares or other securities to which the Participant is entitled to subscribe for under those Options. Fractions in the aggregate number only will be disregarded in determining the total entitlement to subscribe.

4.11 Reorganisation

- (a) In the event of any reorganisation including any consolidation, sub-division, return, reduction or cancellation of the issued capital of the Company, the rights of any Option holder will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
- (b) Subject to any provisions with respect to rounding of entitlements as sanctioned by the meeting of shareholders approving a reorganisation of capital, in all other respects the terms for the exercise of Options shall remain unchanged notwithstanding the reorganisation.
- (c) In any reorganisation of the issued share capital of the Company the Company may cancel any existing Option certificates and issue a new certificate or holding statement evidencing a change in the Participant's entitlements.

4.12 Advice

The Company must give notice to each Participant of any adjustment to the number of Shares which the Participant is entitled to subscribe for, or to be issued, on exercise of an Option or in the Exercise Price per Share under an Option in accordance with the Listing Rules.

4.13 Notices

Notices may be given by the Company to the Participant in the manner prescribed by the Constitution for the giving of notices to members of the Company and the relevant provisions of the Constitution shall apply with all necessary modification to notices to be given to Participants.

4.14 Rights to Accounts

Participants shall be entitled upon request to be sent all reports and accounts required to be laid before members of the Company in General Meeting and all notices of General Meetings of members, but will not have any right to attend or vote at those meetings.

4.15 Interests in Shares

A Participant shall have no interest in Shares the subject of the Options held unless and until those Options are exercised under Rule 4.3 and Shares are allotted to that Participant under Rule 4.6 as a result of that exercise.

5. OVERRIDING RESTRICTIONS ON ISSUE AND EXERCISE

Notwithstanding any Rule or the terms of any Option, no Option may be offered, issued or exercised if to do so:

- (a) Would contravene the Constitution, the *Corporations Act* or the Listing Rules; or

- (b) Would contravene the local laws or customs of a Participant's country of residence or in the opinion of the Board would require actions to comply with those local laws or customs which are impractical.

6. LIMITATION ON THE ISSUE OF SHARES

In the case of an issue of Shares as a result of the exercise of Options, the number of Shares, to be received on exercise of an Option when aggregated with:

- (a) the number of Shares in the same class which would be issued were each outstanding offer with respect to the Shares, units of Shares and Options to acquire unissued Shares under any employee share scheme to be accepted or exercised (as the case may be); and
- (b) the number of Shares in the same class issued during the previous 5 years pursuant to the MDSOP or any other employee share scheme extended only to employees or directors of a Group Company,

but disregarding any offer made, or option acquired or Share issued by way of or as a result of:

- (c) an offer to a person situated at the time of the receipt of the offer outside Australia; or
- (d) an offer that was an excluded offer or invitation within the meaning of the *Corporations Act* as it stood prior to the commencement of Schedule 1 to the *Corporate Law Economic Reform Program Act 1999* (Cth); or
- (e) an offer that did not need disclosure to investors because of section 708 of the *Corporations Act*;
- (f) or an offer that did not require the giving of a Product Disclosure Statement because of Section 1012D of the *Corporations Act*; or
- (g) an offer made under a disclosure document or Product Disclosure Statement,

must not exceed 5% of the total number of issued Shares in that class of the Company at the time of the Offer.

7. ADMINISTRATION OF THE PLAN

- (a) The MDSOP will be administered by the Board in accordance with these Rules and with the Listing Rules. The Board may make regulations for the operation of the MDSOP which are consistent with these Rules and the Listing Rules.
- (b) Any power or discretion which is conferred on the Board by these Rules may be exercised by the Board in the interests of, or for the benefit of, the Company, and the Board is not, in

exercising any such power or discretion, under any fiduciary or other obligation to any other person.

- (c) Any power or discretion which is conferred on the Board by these Rules may be delegated by the Board to a committee consisting of such Directors as the Board thinks fit.
- (d) The decision of the Board as to the interpretation, effect or application of these Rules will be final and conclusive.
- (e) The Company will bear all costs in relation to the administration of this Plan.

8. AMENDMENTS

Subject to these Rules, the Listing Rules and the Company's constitution, the Board may by resolution amend (meaning, for the purposes of this Rule 8, amend, add to, revoke, substitute or replace) the Rules or any of them, including this Rule, provided that any amendment does not adversely affect the existing rights of Participants.

9. TERMINATION OF MDSOP

Subject to the rights of Participants under the MDSOP, and subject to these Rules, the Listing Rules and the Constitution, the Company may suspend or terminate this MDSOP at any time by decision of the Board.

10. RIGHTS OF PARTICIPANTS

Nothing in these Rules:

- (a) confers on the Participant the right to receive any Options;
- (b) confers on any Participant the right to continue as the Managing Director of the Company or any of its subsidiaries;
- (c) affects any rights which the Company or a related body corporate may have to terminate the Employment of the Managing Director; or
- (d) may be used to increase damages or other moneys payable in any action brought against the Company or a Related Body Corporate in respect of any such termination.