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**RXP SERVICES LIMITED**  
**DIRECTORS' AND EMPLOYEES' OPTION PLAN**  
ADOPTED BY THE BOARD ON 22 NOVEMBER 2011

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## OPERATIVE PROVISIONS

### General nature of plan

- 1.1 This is a plan under which directors and employees of the Company may become holders of options to acquire fully paid ordinary shares in the Company. The purpose of the plan is to retain directors, key employees and contractors and to attract quality people to become directors, key employees and contractors. The plan is administered by the Board free of charge. If the plan is inconsistent with the ASX Listing Rules, those rules shall prevail.
- 1.2 There are three types of option plans which can be issued pursuant to this plan:
- 1.2.1 Upfront taxation scheme: The conditions for this scheme are set out in **Schedule A**.
  - 1.2.2 \$1,000 exemption scheme: The conditions for this scheme are set out in **Schedule B**.
  - 1.2.3 Tax deferred scheme: The conditions for this scheme are set out in **Schedule C**.
- 1.3 The general conditions in this plan shall apply to all options issued under any of the plans outlined in clauses 1.2.1 to 1.2.3.
- 1.4 The written offer issued by the Board (in accordance with clause 1.5) to a Participant for an offer of options shall state which scheme the options offered are to be issued under. The special conditions applying to the options shall then include any special conditions set out in the relevant Schedule to this plan (in addition to the general conditions outlined in this plan).

### General Conditions

#### Board may offer options to acquire shares to Participant

- 1.5 The Board, in its absolute discretion, may make a written offer to a Participant it chooses who is resident in Australia to accept options to acquire shares in the Company. The offer must specify the maximum number of options which the Participant may accept and the exercise price per option. It must be accompanied by an application form and a copy of this plan.
- 1.6 The offer must specify, in respect of each option offered, which scheme the option is being offered under.

#### Exercise price

- 1.7 The exercise price is set by the Board in its absolute discretion.

**Participant may accept offer**

1.8 The Participant to whom the offer is made may accept it by completing the application form and giving it to the Board by 5pm on the acceptance date specified in the offer. No-one else may accept the offer.

1.8.1 By accepting the offer, the Participant becomes bound by this plan.

1.8.2 By accepting the offer, the Participant appoints separately the Board and any person the Board appoints as the Participant's attorneys to do anything necessary to give effect to this plan.

**Participant may accept lesser number of options**

1.9 A Participant may accept less than the number of options offered, but only if the number of shares that the Participant would obtain by exercising those options would be at least a marketable parcel under the ASX Listing Rules. The Participant has no right to accept the remaining options later unless they are re-offered to him or her by the Board.

**Board must issue options accepted**

1.10 If the Participant validly accepts the Board's offer, the Board must issue the Participant the number of options accepted. However, it must *not* do so if the Participant has ceased to be a Participant at the date when the grant of options is to be made. This does not apply if the Board determines that the Participant is not to be regarded as having ceased to be a Participant because the cessation is to be temporary or because the Participant is about to commence employment or become a director or other officeholder with a Related Body Corporate of the Company.

1.11 The Board must issue an option certificate in respect of the options granted to the Participant as soon as practicable.

**Period option lasts**

1.12 An option lasts for five years from the date it is issued or such other period as determined by the Board in its offer. It ends at 5pm on the last day of that period. However, it ends earlier, and immediately, if the Participant ceases to be employed by, or ceases to be a director or officeholder (as relevant) of, the Company. This does not apply if the Board determines otherwise. The Board may make this determination for any reason, including that the Participant is not to be regarded as having ceased to be a Participant because the cessation is to be temporary or because the Participant is about to commence employment, or become a director or other officeholder, with a Related Body Corporate of the Company.

**When option may be exercised**

1.13 Subject to clause 1.12, an option can be exercised at any time from the date it was issued.

**Exercising option**

1.14 The holder of an option exercises it by giving the Company each of the following before the option ends:

1.14.1 an option exercise notice in the form attached as Schedule D to this plan,

1.14.2 the relevant option certificate, and

1.14.3 payment of the exercise price for each option being exercised.

**Right to exercise lesser number**

1.15 A holder may exercise less than the number of options covered by a certificate. If the holder does so, the Board must note on the certificate the number of options remaining. The Board's note is conclusive evidence of the number remaining.

**Board must allot shares and issue certificate etc**

1.16 Subject to this plan the Board must allot to the holder the appropriate number of ordinary fully paid shares in the Company. It must do so within ten days after the option is exercised. The Board may issue a share certificate in respect of the allotted shares. The Board must keep a Register of option holders as required by law and by the ASX Listing Rules.

**Shares rank equally**

1.17 Shares allotted on the exercise of options rank equally in all respects with other issued ordinary shares.

**Appropriate number of shares**

1.18 The exercise of an option entitles the holder to one ordinary fully paid share in the Company. However, if the Company has made a bonus issue of shares or a rights issue of shares after an option has been issued but before it is exercised, the option holder is entitled to an additional number of ordinary fully paid shares. The additional number is equal to the number of bonus or rights shares he or she would have been entitled to, or entitled to apply for, if he or she had exercised the option in time to participate in the bonus or rights issue.

**Escrow Agreement**

1.19 Unless otherwise agreed by the Board, as a precondition to the granting of options, the Participant to whom the Company proposes to grant options must enter into an escrow agreement on the terms and for the period determined by the Board in its absolute discretion.

**When share resulting from option may be traded**

1.20 Where a person exercises an option, subject to clause 1.21, the resulting shares issued by the Company may only be traded during the following timeframes:

- 1.20.1 From the date on which the holder of the option ceases to be employed by the Company until the expiration of 90 days after that date; or
- 1.20.2 From the date on which the holder of the option dies or becomes totally and permanently disabled until the expiration of 120 business days after that date; or
- 1.20.3 From the date on which the offeror in a takeover offer or takeover announcement under the *Corporations Act 2001* (Cth) becomes entitled to not less than 90% of the issued ordinary shares in the Company until the expiration of ten days from that date, or
- 1.20.4 Such other period as the Board may determine from time to time in its absolute discretion.
- 1.21 If clauses 1.20.1 to 1.20.4 do not apply, or upon the expiration of the timeframes outlined in clauses 1.20.1 to 1.20.4, the resulting shares may only be traded upon the expiration of two years from the date of issue of the option.
- 1.22 For the purposes of 1.20.1, a person retires when he or she ends employment or engagement as a full time director, executive or employee of the Company as a result of either:
- 1.22.1 reaching 65 years old or an earlier lawful retirement age, or
- 1.22.2 being retrenched.
- 1.23 For the purposes of clause 1.20.2, whether a person becomes totally and permanently disabled shall be decided by the Board in its absolute discretion.
- Board must notify changes**
- 1.24 The Board must notify each option holder and the Australian Securities Exchange of any adjustment to the number of shares, options or other securities over which the holder's options exist within one month after the date on which shareholders' entitlements in relation to any bonus or rights issue are determined.
- Effect of reconstruction**
- 1.25 If the Company reduces its issued capital, the rights of a holder of an option are affected in the following ways:
- 1.25.1 *If the reduction is by way of a reduction of the value of each ordinary share by return of capital*, the number of options is unaffected, but the exercise price of an option is reduced by the same amount as the reduction in the value of the shares.
- 1.25.2 *If the reduction is by way of a pro rata cancellation of capital*, the number of options is decreased in the same proportion as the issued capital and the

exercise price of an option is amended in inverse proportion to the reduction in the issued capital.

- 1.26 Entitlements to options are to be rounded in the way as sanctioned by the general meeting of the Company that approved the reduction of issued capital.
- 1.27 The rights of an option holder will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation or reconstruction in capital at the time of the reorganisation or reconstruction.

#### **Effect of subdivision or consolidation of shares**

- 1.28 If ordinary shares are subdivided or consolidated, the rights of a holder of an option are affected in the following ways:
- 1.28.1 The number of options is increased or decreased in the same proportion as the number of ordinary shares is increased or decreased in the subdivision or consolidation, and the exercise price must be amended in inverse proportion to that proportion.
- 1.28.2 Entitlements to options are to be rounded in the way as sanctioned by the general meeting of the Company that approved the subdivision or consolidation.

#### **Entitlement to participate in new issues**

- 1.29 An option holder will only be entitled to participate in new issues of securities if:
- 1.29.1 the option has been exercised; and
- 1.29.2 a share has been issued in respect of the option before the record date for determining entitlements to the new issue,

provided that any such entitlement will be subject to the terms and conditions applicable to that new issue.

#### **Takeovers**

- 1.30 If a takeover bid or other offer is made to acquire the entire or a majority of the issued shares of the Company and such offer is or becomes unconditional, the Board must give written notice to option holders of the takeover bid or other offer (**Takeover Notice**).

#### **Compromise and arrangements**

- 1.31 If, under Part 5.1 of the Corporations Act, the Court sanctions a compromise or arrangement proposed for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies which, if implemented, would result in a change in the Control of the Company, the Board must give written notice to option holders of the compromise or arrangement (**Reconstruction Notice**).

1.32 Upon the giving of a Takeover Notice or Reconstruction Notice the Board may, in its absolute discretion, determine that such options may be exercised by the option holder from the date of the determination until such later date as the Board determines (**New Exercise Period**). If the Board makes such a determination, at the end of the New Exercise Period, all options that have not been exercised will automatically lapse.

1.33 Upon receipt of a Takeover Notice or Reconstruction Notice, all escrow restrictions under this plan are deemed to have been removed and the option holder shall be entitled to receive the consideration payable on acceptance of the takeover bid or offer.

#### **Fraction of a share**

1.34 If a holder of an option becomes entitled to a fraction of a share, the fraction is to be disregarded altogether.

#### **Limit on number of options affected by plan**

1.35 The Board must not make an offer to a Participant if its acceptance would result in the aggregate of all the options accepted under this plan plus all the options in respect of which offers are outstanding, if exercised, exceeding 5% of the total number of issued ordinary shares in the Company.

#### **Suspension of plan**

1.36 The Board may suspend this plan at any time at its absolute discretion:

1.36.1 The Board must give Participants written notice of a suspension.

1.36.2 The notice must specify the date from which the suspension takes effect.

1.36.3 The suspension continues until the Board gives Participants written notice that it has ended.

#### **Amendment of plan**

1.37 The Board may amend this plan at any time, with the approval of the Company in general meeting. However, it may not do so in a way that would decrease a Participant's rights to shares or to dividends or other money.

1.38 Any amendment must comply with the ASX Listing Rules.

#### **No additional employment rights created**

1.39 The plan does not confer any additional rights upon Participants, and the inclusion of Participants in the plan is at the absolute discretion of the Board. The plan does not create a right to remain a Participant. It does not affect any rights which the Board may have to terminate the employment, directorship or other officeholding of a Participant. It must not be used by a Participant to increase an award of damages in any action against the Company for termination of employment.

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**Entitlement to dividend**

- 1.40 An option holder is not entitled to a dividend in respect of a share unless the option was exercised before or on the day the dividend was declared.

**Options are personal**

- 1.41 An option belongs to the option holder personally. It may only be assigned to a company in which the holder owns a share beneficially or to the trustee of a trust of which the holder is a beneficiary.

**Termination of employment for cause**

- 1.42 Where a Participant's employment or association with the Company is terminated by the Company for cause, any options held by that Participant shall expire immediately and shall not be exercisable. The Participant shall not be entitled to compensation for such expiration of options.
- 1.43 For the purposes of clause 1.42, whether termination is for cause shall be decided by the Board in its absolute discretion.

**Termination of plan**

- 1.44 The Board may terminate this plan at any time, at its absolute discretion. Termination does not affect the rights under this plan of Participants in respect of offers that they have accepted or offers that are outstanding.

**Listing of shares**

- 1.45 The Board will use its best endeavours to obtain quotation and listing of the ordinary fully paid shares on the official list of the Australian Securities Exchange but only after the expiry of any trading restriction on them imposed by agreement, under the ASX Listing Rules or otherwise.

**Dispute resolution procedure**

- 1.46 If a Participant has a grievance in relation to the application of this plan, he or she may write to the Company about it. The Company must respond in writing within 14 days. If the grievance is not resolved by the response, the Participant may give the Company a notice requiring the grievance to be referred to an independent person for mediation. If the Participant and the Company do not agree on a mediator within fourteen days after the notice is given, the mediator is to be appointed by the Managing Director of the Company. The Participant and the Company must co-operate fully with the mediator. The Participant and the Company must pay an equal share of the fees and expenses the mediator is entitled to. A Participant must not commence legal proceedings, apart from seeking urgent injunctive relief, until this process has been completed.

**Severability**

- 1.47 If a clause or part of a clause can be read in a way that makes it illegal, unenforceable or invalid, but can also be read in a way that makes it legal, enforceable and valid, it must be read in the latter way. If any clause or part of a clause is illegal, unenforceable or

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invalid, that clause or part is to be treated as removed from this document, but the rest of this document is not affected.

### **Governing law and jurisdiction**

- 1.48 This document is governed by the law of Victoria. The Company and the Participants submit to the non-exclusive jurisdiction of its courts.

## **2 NOTICES**

### **Giving notices**

- 2.1 Any notice or communication given to a party under this plan is only given if it is in writing and sent in one of the following ways:

2.1.1 delivered or posted to that party at its address and marked for the attention of the relevant department or officer (if any) set out below, or

2.1.2 Sent via email in the manner outlined in clauses 2.2 to 2.4.

### **Giving notices by email**

- 2.2 Any notice or communication given to a party under this plan may be made by electronic mail or other electronic means if, prior to any notice or communication being given, the Board has determined that electronic communication is to be an acceptable form of communication.

2.3 Any electronic communication is to be treated as given when received in readable form.

2.4 The Board must promptly notify option holders of any change to its electronic mail address or any other such information supplied by it.

### **Change of address**

- 2.5 If the Board gives option holders three business days notice of a change of its address, any notice or communication is only given by an option holder if it is delivered or posted to the latest address.

### **Time notice is given**

- 2.6 Any notice or communication is to be treated as given at the following time:

2.6.1 If it is delivered, when it is left at the relevant address.

2.6.2 If it is sent by post, two (or, in the case of a notice or communication posted to another country, nine) business days after it is posted.

2.6.3 If it is sent by email, as soon as the sender receives from the sender's email account a report of an error free transmission to the correct email address.

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- 2.7 However, if any notice or communication is given, on a day that is not a business day or after 5pm on a business day in the place of the party to whom it is sent, it is to be treated as having been given at the beginning of the next business day.

### 3 INTERPRETATION

- 3.1 In the interpretation of this plan, the following provisions apply unless the context otherwise requires:

- 3.1.1 **ASX Listing Rules** means the Listing Rules of ASX Limited as they apply to the Company from time to time.
- 3.1.2 **Board** means the board of directors of the Company as appointed from time to time in accordance with the constitution of the Company.
- 3.1.3 **Company** means RXP Services Limited (ACN 146 959 917).
- 3.1.4 **Managing Director** means the officer fulfilling that role in the Company or fulfilling any role with another name performing similar functions.
- 3.1.5 **Participants** shall refer to an employee, director, or other officeholder in the Company, or a contractor to the Company or any Related Body Corporate of the Company as approved by the Board.
- 3.1.6 **Related Body Corporate** has the meaning given under section 50 of the *Corporations Act 2001* (Cth).
- 3.1.7 Headings are inserted for convenience only and do not affect the interpretation of this plan.
- 3.1.8 A reference in this plan to a business day means a day other than a Saturday or Sunday on which banks are open for business generally in Melbourne, Victoria.
- 3.1.9 If the day on which any act, matter or thing is to be done under this plan is not a business day, the act, matter or thing must be done on the next business day.
- 3.1.10 A reference in this plan to 'dollars' or '\$' means Australian dollars and all amounts payable under this plan are payable in Australian dollars.
- 3.1.11 A reference in this plan to any law, legislation or legislative provision includes any statutory modification, amendment or re-enactment, and any subordinate legislation or regulations issued under that legislation or legislative provision.
- 3.1.12 A reference in this plan to any document or agreement is to that document or agreement as amended, novated, supplemented or replaced.

- 3.1.13 A reference to a clause, part, schedule or attachment is a reference to a clause, part, schedule or attachment of or to this plan.
- 3.1.14 An expression importing a natural person includes any company, trust, partnership, joint venture, association, body corporate or governmental agency.
- 3.1.15 Where a word or phrase is given a defined meaning, another part of speech or other grammatical form in respect of that word or phrase has a corresponding meaning.
- 3.1.16 A word which indicates the singular also indicates the plural, a word which indicates the plural also indicates the singular, and a reference to any gender also indicates the other genders.
- 3.1.17 A reference to the word 'include' or 'including' is to be interpreted without limitation.
- 3.1.18 Any schedules and attachments form part of this plan.

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**SCHEDULE A: UPFRONT TAXATION SCHEME****Conditions in this Schedule to form part of the conditions for options offered**

- 3.2 Where an offer for options specifies that an option is being offered pursuant to the Upfront Taxation Scheme, the conditions set out in this Schedule A shall form part of the conditions for the offer of that option, in addition to the general conditions of this plan.

**No disposal of options by Participant for two years**

- 3.3 In relation to all or part of the options offered, the Participant must not dispose of any interest in any of those relevant options for two years after the date the options are allotted to him or her (**Holding Lock Period**):
- 3.3.1 If the Participant dies or ceases to be a Participant of the Company within those two years, the Board must dispose of the options, and pay the Participant or his or her personal representative the market price of the options on the date of sale less the cost of disposal and any outstanding loan for the options.
- 3.3.2 This does not apply if the Board determines that the Participant is not to be regarded as having ceased to be a Participant because the cessation is to be temporary or because the Participant is to commence employment or become a director or other officeholder with a Related Body Corporate.
- 3.4 Notwithstanding clause 3.3, in relation to all or part of the options offered, the Participant may dispose of any interest in the relevant options within the Holding Lock Period in special circumstances as approved by the Board.

**SCHEDULE B: \$1,000 EXEMPTION SCHEME****Conditions in this Schedule to form part of the conditions for options offered**

- 3.5 Where an offer for options specifies that an option is being offered pursuant to the \$1,000 Exemption Scheme, the conditions set out in this Schedule B shall form part of the conditions for the offer of that option, in addition to the general conditions of this plan.

**No disposal of options by Participant for two years**

- 3.6 In relation to all or part of the options offered, the Participant must not dispose of any interest in any of those relevant options for two years after the date the options are allotted to him or her (**Holding Lock Period**):
- 3.6.1 If the Participant dies or ceases to be a Participant of the Company within those two years, the Board must dispose of the options, and pay the Participant or his or her personal representative the market price of the options on the date of sale less the cost of disposal.
- 3.6.2 This does not apply if the Board determines that the Participant is not to be regarded as having ceased to be a Participant because the cessation is to be temporary or because the Participant is to commence employment or become a director or other officeholder with a Related Body Corporate.
- 3.7 Notwithstanding clause 3.6, in relation to all or part of the options offered, the Participant may dispose of any interest in the relevant options within the Holding Lock Period in special circumstances as approved by the Board.

**Non-forfeiture**

- 3.8 The plan must not have any conditions which could result in a Participant forfeiting ownership of options acquired through the plan.

**SCHEDULE C: TAX DEFERRED SCHEME****Conditions in this Schedule to form part of the conditions for options offered**

- 3.9 Where an offer for options specifies that an option is being offered pursuant to the Tax Deferred Scheme, the conditions set out in this Schedule C shall form part of the conditions for the offer of that option, in addition to the general conditions of this plan.

**Real risk of forfeiture**

- 3.10 The conditions that apply to options issued under this scheme which could result in a Participant forfeiting ownership of options acquired through the plan shall be determined by the Board in its absolute discretion.

**No disposal of options by Participant for two years**

- 3.11 In relation to all or part of the options offered, the Participant must not dispose of any interest in any of those relevant options for two years after the date the options are allotted to him or her (**Holding Lock Period**):
- 3.11.1 If the Participant dies or ceases to be a Participant of the Company within those two years, the Board must dispose of the options, and pay the Participant or his or her personal representative the market price of the options on the date of sale less the cost of disposal.
  - 3.11.2 This does not apply if the Board determines that the Participant is not to be regarded as having ceased to be a Participant because the cessation is to be temporary or because the Participant is about to commence employment or become a director or other officeholder with a Related Body Corporate.
- 3.12 Notwithstanding clause 3.11, in relation to all or part of the options offered, the Participant may dispose of any interest in the relevant options within the Holding Lock Period in the special circumstances as approved by the Board.



**SCHEDULE D: OPTION EXERCISE NOTICE**

**NOTICE OF EXERCISE OF OPTIONS UNDER THE RXP SERVICES DIRECTORS' AND EMPLOYEES' OPTION PLAN**

I **[insert name and address of holder]** hold **[insert number]** options under this Plan.

I now exercise **[insert number]** options to acquire fully paid ordinary shares in the Company.

I attach a cheque for \$**[insert amount]** which is the total amount payable for the exercise of that number of options.

I have read and understood the Plan. I understand that any shares allotted to me as a result of my exercising any options will be governed by the Plan, and by the Company's Constitution.

Signed .....

Date .....

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