
Employee Share Option Plan

Rubicor Group Limited

BAKER & MCKENZIE

Solicitors
Level 27, AMP Centre
50 Bridge Street
SYDNEY NSW 2000
Tel: (02) 9225-0200
Email:
Email: sarah.adams@bakernet.com

Ref: 524997-v6\SAX

Contents

Clause Number	Heading	Page
1	Purpose	1
2	Definitions and interpretation	1
3	Options available under the Plan	3
4	Administration	3
5	Award Invitations	5
6	Awards	6
7	Allotment of Shares on exercise of Options	6
8	Option terms	7
9	Transferability	9
10	Exchange and buyout of Awards	9
11	Compliance with laws and the Listing Rules	9
12	Employment	10
13	Effective Date	11
14	Amendment or termination of Plan	11
15	Non-exclusivity of the Plan	11
16	Governing law	11

BAKER & MCKENZIE
Solicitors
Level 26, AMP Centre
50 Bridge Street
SYDNEY NSW 2000
Tel: (02) 9225-0200
Fax: (02) 9225-1595
Email: howard.fraser@bakernet.com

1 Purpose

1.1 Purpose of Plan

The purpose of this Plan is to provide incentives to attract, retain and motivate Eligible Employees, by offering them an opportunity to participate in the Company's future performance through awards of Options.

1.2 Advice

There are legal and tax consequences associated with participation in the Plan. Eligible Employees should ensure that they understand these consequences before accepting an Award Invitation.

2 Definitions and interpretation

2.1 Definitions

In this Plan, unless the context requires another meaning:

ASX means ASX Limited or the securities market which it operates, as the context requires;

Award means any award of Options under this Plan;

Award Document means any Award Invitation, Option certificate and any other agreement or document executed under or in connection with this Plan;

Award Invitation means an invitation made to an Eligible Employee to accept an Award pursuant to clause 5;

Board means the board of directors of the Company as constituted from time to time;

Company means Rubicor Group Limited ACN 110 913 365;

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

Current Market Price means in relation to a share the price published by the operator of the principal financial market on which the share is quoted as the final price for the previous day on which the share was traded on that financial market;

Effective Date has the meaning given to it in clause 13(a);

Eligible Employee means a person who is a full-time or permanent part-time employee or director of the Company or Subsidiary at the time of the Award Invitation or such other persons as agreed by the Board from time to time;

Exercise means exercise of an Option in accordance with its terms, and includes automatic exercise in accordance with this Plan;

Exercise Notice has the meaning given to it in clause 8.8(a);

Exercise Price means the price at which a holder of an Option may subscribe for and acquire the Ordinary Shares issuable upon exercise of the Option;

Expiry Date means the date on which an Award lapses, being the date specified in an Award Invitation as the Expiry Date or fixed by a method of calculation set out in an Award Invitation;

Gift has the meaning given to it in clause 5.2;

Gift Offer means the offer of the Gift in accordance with clause 5.2;

Group means the Company and its Subsidiaries from time to time and **Group Company** means either the Company or any such Subsidiary;

Listed means the Company being and remaining admitted to the official list of ASX;

Listing Rules means the Listing Rules of ASX and any other rules of ASX which are applicable while the Company is Listed, each as amended or replaced from time to time, except to the extent of any waiver granted by ASX;

Option means an option to acquire Ordinary Shares;

Ordinary Shares means ordinary shares in the capital of the Company;

Participant means a person who accepts an Award Invitation under this Plan and who is subsequently granted an Award, and includes, where applicable, any nominee of that person which holds any Options;

Plan means this Employee Share Option Plan;

Security Interest means an interest in an asset which provides security for, or protects against default by, a person for the payment or satisfaction of a debt, obligation or liability including a mortgage, charge, bill of sale, pledge, deposit, lien, encumbrance, hypothecation, first right of refusal, voting right or arrangement for the retention of title or any agreement, option or other arrangement to grant such an interest or right;

Senior Executive Share Plan means the [Rubicor Senior Executive Share Plan], being the plan established by the Company to attract, retain and motivate senior executives of the Company;

Shares means shares of any class in the capital of the Company;

Subsidiary means a subsidiary of the Company as defined in section 9 of the Corporations Act;

Vesting Conditions means any conditions described in the Award Invitation that must be satisfied before an Option can be exercised; and

Vesting Date means the date on which an Option is exercisable or is no longer subject to forfeiture following satisfaction of any Vesting Condition.

2.2 Interpretation

In this Plan:

- (a) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (b) headings are for convenience only and do not affect the interpretation of this Plan;
- (c) where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day;
- (d) if a period starts from, after or before a day or the day of an act or event, it excludes that day, and, unless the context otherwise requires:
- (e) words importing the singular include the plural and vice versa;
- (f) words importing a gender include all genders; and

- (g) a reference to:
- (i) any document (including this Plan) is a reference to that document as amended, consolidated, supplemented, novated or replaced;
 - (ii) an agreement includes any undertaking, representation, deed, agreement or legally enforceable arrangement or understanding whether written or not;
 - (iii) a clause or annexure is a reference to a clause of or annexure to this Plan and a reference to this Plan includes any annexure;
 - (iv) a person includes any individual, body corporate, association, partnership, joint venture, trust and governmental agency;
 - (v) a law includes any legislation, judgment, rule of common law or equity or rule of any applicable stock exchange, and is a reference to that law as amended, consolidated, supplemented or replaced, and includes a reference to any regulation, by-law or other subordinate legislation;
 - (vi) the word "including" or "includes" means "including but not limited to" or "including without limitation"; and
 - (vii) time is a reference to time in Sydney.
-

3 Options available under the Plan

3.1 Entitlement

Subject to this Plan, each Option confers on its holder the entitlement to subscribe for and be issued one Ordinary Share on the terms of the Option.

3.2 Ordinary Shares to rank equally

Ordinary Shares issued on the exercise of Options will rank equally on and from their date of issue in all respects with the Company's other issued fully paid Ordinary Shares.

3.3 Eligibility

- (a) An Award Invitation may only be made to Eligible Employees.
 - (b) An Eligible Person may be given more than one Award Invitation under this Plan.
-

4 Administration

4.1 Board authority

This Plan will be administered by the Board. Subject to the general purpose, terms and conditions of this Plan, the Board will have full power and authority to implement and carry out this Plan including the power and authority to:

- (a) construe and interpret and resolve conclusively all questions of fact in connection with this Plan, any Award and/or any Award Document;
- (b) prescribe, amend and rescind rules and regulations relating to this Plan or any Award (subject to compliance with the Listing Rules as may be applicable from time to time);

- (c) select persons to receive Awards;
- (d) determine the form, terms and conditions of Award Invitations and Awards;
- (e) determine the ability to exercise Options;
- (f) cancel the Options and determine the consideration (if any) payable for the cancellation;
- (g) correct any defect, supply any omission or reconcile any inconsistency in this Plan, any Award and/or any Award Document;
- (h) make any calculation in connection with this Plan;
- (i) waive or modify the application of any of the terms and conditions of this Plan or an Award in relation to any or all Participants;
- (j) delegate to any person or persons for such period and on such terms and conditions as the Board determines the exercise of any of their powers or discretions arising under or in connection with this Plan; and
- (k) make all other determinations necessary or desirable for the administration of this Plan.

4.2 Listing Rules

While the Company is Listed, the Board may only exercise its powers in accordance with the Listing Rules.

4.3 Board discretion

Any determination, decision or other act or omission by the Board with respect to this Plan or any Award (whether before, at the time of or after making an Award) will be made (in its sole discretion) by the Board. Such determination or decision will be final and binding on the Company and on all persons having an interest in any Award under this Plan, including the Participants.

4.4 Trustees

- (a) Notwithstanding any other provision of this Plan, a person (Trustee) approved by the Board may hold Options as trustee for any beneficiary (Beneficiary) approved by the Board.
- (b) The Trustee and the Beneficiary shall be bound by this Plan and any applicable Award Document.
- (c) Without prejudice to the generality of the remainder of this clause 4, the Board may determine from time to time that either or both of the Trustee and the Beneficiary is a Participant or any other person to whom this Plan (and any relevant Award Document) is applicable, for any reason or purpose in connection with the Plan (and any Award Document) and the Trustee and the Beneficiary shall be bound accordingly.

4.5 Nominees

If a Participant who receives Options under this Plan suffers a change of control or ownership (direct or indirect), as determined by the Board, then the Board may require that the Option be immediately transferred to a person determined by the Board.

5 Award Invitations

5.1 Dilution limit

An Award Invitation or Gift Offer must not be made if the total of the following:

- (a) the number of Ordinary Shares which are the subject of the Award Invitations or Gift Offer to be made;
- (b) the total number of Ordinary Shares which are the subject of any outstanding Award Invitations or Gift Offers;
- (c) the total number of Ordinary Shares issued during the previous five years under this Plan or any other employee share scheme including, without limitation, the Company's Senior Executive Share Plan (adjusted if necessary in each case for capital reorganisations), but not including existing Ordinary Shares transferred to a Participant after having been acquired for that purpose; and
- (d) the total number of Ordinary Shares which would be issued under all outstanding Options that have been granted but which have not yet been exercised, terminated or expired, assuming all such Options were exercised and ignoring any Vesting Conditions,

would exceed 5% of the number of Ordinary Shares on issue at the time of the Award Invitation or Gift Offer.

5.2 Gift Offer of Ordinary Shares

- (a) Subject to clause 5.1, the Board may issue up to \$1000.00 worth of Ordinary Shares to each or any Eligible Employee for no consideration up to two times per calendar year (*Gift*).
- (b) The price of the Ordinary Shares which will be used for the purposes of determining how many Ordinary Shares will comprise the Gift, will be the volume weighted average sale price of Ordinary Shares on ASX over the five trading days immediately preceding the day the Gift is made, or another pricing method determined by the Board.

5.3 Making Award Invitations

- (a) Subject to clauses 5.1, 6.1 and 8, the Board may issue an Award Invitation under the Plan to any Eligible Employee at the discretion of the Board. An Award Invitation need not be the same for each Eligible Employee or Participant.
- (b) A copy of this Plan will accompany each Award Invitation or will be provided to a Participant within a reasonable time after request of the Company without charge.
- (c) In issuing Award Invitations, the Board may determine, in relation to each Award Invitation, the number of Options to be granted under an Award, , the dates on which the Options are to be granted, the period during which the Options may be exercised and all other terms and conditions of the Award and the Options (including any performance factors applicable to the Award), subject to clause 8.
- (d) If required by applicable laws, the Award Invitation must include an undertaking by the Company to provide to a Participant, if a request is made before the Award is Exercised and within a reasonable period of being so requested, the Current Market Price of the Ordinary Shares.

6 Awards

6.1 Issue of Awards

- (a) The Board may make an Award to any Eligible Employee (or his or her nominee, as approved by the Board) on receipt of an acceptance of Award Invitation in a form approved by the Board.
- (b) Awards will be made for no more than nominal consideration.

6.2 Date of an Award

The date of an Award will be the date stated in the Award Invitation, being either the date on which the Board determines to make the Award, the date on which the Participant commenced employment with the Company or a Subsidiary of the Company or the date otherwise determined by the Board.

6.3 Option Certificates

The Board must issue a certificate upon making an Award under this Plan evidencing the person to whom the Options are granted as the holder of those Options.

7 Allotment of Shares on exercise of Options

7.1 Rights attaching to Ordinary Shares

Ordinary Shares issued on the exercise of Options will:

- (a) be credited as fully paid up;
- (b) rank equally on and from their date of issue in all respects with the Company's other issued fully paid Ordinary Shares; and
- (c) be subject to any restrictions imposed under this Plan.

7.2 Quotation

If the Company is Listed, then as soon as practicable after the date of the allotment of Ordinary Shares on the exercise of Options, the Company will, unless the Board otherwise resolves, apply for official quotation of such Ordinary Shares on the ASX.

7.3 New or existing Shares

- (a) The Company may, in its discretion, either issue new Ordinary Shares or cause existing Ordinary Shares to be acquired for transfer to the Participant, or a combination of both alternatives, to satisfy the Company's obligations under this Plan.
- (b) If the Company determines to cause the transfer of Ordinary Shares to a Participant, the Ordinary Shares may be acquired in such manner as the Company considers appropriate, including from a trustee appointed under clause 4.4.

8 Option terms

8.1 Exercise period

- (a) Subject to clause 8.1(b):
 - (i) an Option may only be exercised at or during the time determined by the Board, as set out in the relevant Award Invitation; and
 - (ii) the Board may provide for each Participant's Options to become exercisable at one time or from time to time, periodically or otherwise.
- (b) No Option will be exercisable after the expiration date of the Option determined under clause 8.5.

8.2 Vesting

- (a) The Awards held by a Participant will vest and become exercisable by that Participant upon the satisfaction of any Vesting Conditions specified in the Award Invitation and in accordance with this Plan.
- (b) Vesting Conditions may be waived at the absolute discretion of the Board (unless such waiver is excluded by the terms of the Award).

8.3 Takeovers

- (a) If a takeover bid is made to acquire all of the issued Ordinary Shares of the Company, or a scheme of arrangement, selective capital reduction or other transaction is initiated which has an effect similar to a full takeover bid for Ordinary Shares in the Company, then Participants are entitled to accept the takeover bid or participate in the other transaction in respect of all or part of their Awards.
- (b) The Board may, in its discretion, waive unsatisfied Vesting Conditions in relation to some or all Awards in the event of such a takeover or other transaction.

8.4 Automatic Exercise

- (a) Unless sub-clause (b) applies, the vesting of an Award on the satisfaction of any Vesting Conditions will not automatically trigger the exercise of the Award.
- (b) The terms of an Award which has a nil Exercise Price may provide for the Award to be exercised automatically upon vesting. Further, and whether or not the terms of the Award provide for it, the Board may in its discretion waive any requirement that an issued Award which has a nil Exercise Price be exercised by the Participant. In either case the Company will treat the Award as having been validly exercised on the Vesting Date.

8.5 Expiry of Options

- (a) The expiration date of an Option is the earlier of:
 - (i) the expiration date set out in the relevant Award Invitation;
 - (ii) the date on which any Vesting Condition relating to the exercise of the Option can no longer be satisfied; and
 - (iii) the date that the relevant Participant ceases to be an Eligible Employee for any reason,

and unless the Option has already been exercised or lapsed, the Option will automatically lapse on the expiration date.

- (b) On an Option lapsing, all rights of a Participant under the Plan in respect of the Option cease and no consideration or compensation will be payable for or in relation to that lapse except pursuant to the terms of the Plan or the relevant Award Invitation.
- (c) If an Option lapses without having been exercised, that Option will be disregarded when calculating the total number of Options granted under the Plan from time to time and the outstanding balance of the total number of Options that may be granted by the Board under the Plan.

8.6 Exercise of Options

- (a) A Participant is, subject to this clause 8, entitled to exercise an Award on or after the Vesting Date.
- (b) Any exercise must be for a minimum number or multiple of Shares (if any) specified in the terms of the Award Invitation.

8.7 Exercise Price

The Exercise Price of an Option will be determined by the Board and set out in the Award Invitation.

8.8 Method of exercise

- (a) Subject to the terms of the relevant Award Invitation, an Option may be exercised only by delivery to the Company of:
 - (i) a written Option exercise notice (the *Exercise Notice*) in a form approved by the Board (which need not be the same for each Participant); and
 - (ii) payment in full of any Exercise Price for the number of Ordinary Shares being acquired.
- (b) Any payment for Ordinary Shares acquired pursuant to this Plan may be made by bank cheque or in such other manner approved by the Board.
- (c) Ordinary Shares will be issued to the Participant as soon as practicable after receipt of the Exercise Notice, or such other date determined by the Board, subject to receipt of any Exercise Price for the number of Ordinary Shares being acquired in cleared funds and clauses 8.9, 8.10 and 11.

8.9 Modification, extension or renewal

The Board may modify, extend or renew outstanding Options and authorise the grant of new Options in substitution therefor, provided that any such action may not, without the written consent of a Participant, impair any of such Participant's rights under any Award previously made or Option previously granted (except pursuant to the provisions of the relevant Award Invitation).

8.10 Participation in new issues

- (a) A Participant holding an Option is not entitled to participate in new issues of Shares made by the Company to holders of its Shares without exercising the Option before the record date for the relevant issue.

- (b) A Participant may exercise an Option and participate in a new issue of Shares only if the Option is exercisable at the time of the new issue (having regard to clause 8.1 and the relevant Award Invitation).

8.11 Right to change in number of underlying Shares

Unless otherwise permitted by the Listing Rules, the number of Ordinary Shares which the Participant is entitled to receive on exercise of an Option will only be adjusted in accordance with this clause 8. The Company must give notice to Participants of any adjustment to the number of Shares which the Participant is entitled to receive on exercise of an Option in accordance with the Listing Rules.

8.12 Bonus issues

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

8.13 Reorganisation of Capital

If, prior to the exercise of an Option, the Company undergoes a reorganisation of capital (other than by way of a bonus issue or issue for cash) the terms of the Options of the Participant will be changed to the extent necessary to comply with the Listing Rules as they apply at the relevant time.

9 Transferability

Subject to the relevant Award Invitation, Awards made or Options granted under this Plan, and any interest in those Awards and/or Options, are not transferable or assignable by the Participant (and no Security Interest may be granted over any Award or Option) otherwise than as determined by the Board.

10 Exchange and buyout of Awards

The Board may, at any time or from time to time, authorise the Company, with the consent of the relevant Participant, to:

- (a) issue new Awards in exchange for the surrender and cancellation of any or all outstanding Awards; and/or
- (b) buy from a Participant an Award previously granted with payment in cash, Shares or other consideration, based on such terms and conditions as the Board and the Participant may agree.

11 Compliance with laws and the Listing Rules

Notwithstanding any other provision of this Plan, the Company will have no obligation to issue Ordinary Shares on exercise of an Option or Options under this Plan unless:

- (a) all necessary approvals from governmental agencies that the Company determines are necessary or advisable in respect of the issue have been obtained; and

- (b) the issue complies with the Company's constitution, the Corporations Act and all other applicable laws and the Listing Rules.
-

12 Employment

- (a) Nothing in this Plan or any Award granted under this Plan will confer or be deemed to confer on any Participant any right to continue in the employ of, or to continue any other relationship with, the Company or any Subsidiary of the Company or limit in any way the right of the Company or any Subsidiary of the Company to terminate the Participant's employment or other relationship at any time for any reason.
- (b) Participation in the Plan, or the provision of any Options or Shares, does not form part of the Participant's remuneration for the purposes of determining payments in lieu of notice of termination of employment, severance payments, leave entitlements, or any other compensation payable to a Participant upon the termination of employment (unless the Board otherwise determines).
- (c) By accepting an invitation to participate in the Plan, the Participant also acknowledges that:
 - (i) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, suspended or terminated by the Company at any time, as provided in the Plan;
 - (ii) participation in the Plan is voluntary and occasional and does not create any contractual or other right to future participation in the Plan, or benefits in lieu of participation in the Plan, even if participation is offered repeatedly;
 - (iii) all decisions with respect to future participation in the Plan, if any, will be at the sole discretion of the Company;
 - (iv) the Participant's participation in the Plan shall not create a right to further employment with his or her employer;
 - (v) Options or Shares acquired pursuant to the Plan are extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or any of its Subsidiaries or the Participant's employer, and which are outside the scope of the Participant's employment contract, if any;
 - (vi) the future value of the underlying Shares is unknown and cannot be predicted with certainty and the Shares may increase or decrease in value;
 - (vii) the Participant will have no entitlement to compensation or damages as a result of any loss or diminution in value of Shares or any other rights acquired pursuant to the Plan, including, without limitation, as a result of the termination of the Participant's employment by the Company or any Group Company or other affiliate for any reason whatsoever and whether or not in breach of contract, and, upon commencing participation in the Plan, the Participant will be deemed irrevocably to have waived any such entitlement as might arise.
- (d) If a Participant:
 - (i) engages in conduct that entitles their employer to terminate their employment by any Group Company summarily (for a reason that does not relate to disability, illness, death or mental infirmity); or

- (ii) breaches an obligation of confidentiality to any Group Company or a restrictive covenant (including any non-compete or non-solicitation of employees or customers provision) given by the Participant in favour of a Group Company,

then, upon written demand from the Company (*Demand*), the Participant must:

- (iii) immediately transfer to the Company or its nominee for an aggregate consideration of one dollar any Shares held by the Participant that the Participant has acquired pursuant to the exercise of any Options issued to the Participant before the Company was Listed; and
 - (iv) within 14 days after the Demand, pay to the Company or its nominee an amount equivalent to the Current Market Price as at the date of the Demand for any Shares the subject of a sale or other transfer that were acquired by the Participant pursuant to the exercise of any Options issued to the Participant before the Company was Listed where that sale or other transfer occurred at a date subsequent to the Demand being given to the Participant.
- (e) Each Participant irrevocably appoints any two directors of the Company as their attorneys to perform all acts necessary to effect the transfer referred to in clause 12(d).

13 Effective Date

- (a) This Plan will become effective on the date of its approval by the Board (*Effective Date*).
- (b) On or after the Effective Date, the Board may issue and distribute Award Documents, make Awards and grant Options pursuant to this Plan.

14 Amendment or termination of Plan

The Board may at any time terminate or amend this Plan and any Award Document in any respect provided, however, that the Board will not, without the approval of the Company's shareholders, amend this Plan in any manner that requires shareholder approval under any applicable laws or the Listing Rules.

15 Non-exclusivity of the Plan

Neither the adoption of this Plan by the Board nor any provision of this Plan will be construed as creating any limitations on the power of the Board to adopt such additional remuneration arrangements as it may deem desirable, including, without limitation, the granting of share options and bonuses otherwise than under this Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

16 Governing law

This Plan and all Awards made and Options granted under this Plan shall be governed by the laws of New South Wales.