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Employee Option Plan Rules

Mighty Kingdom Group Pty Limited

ACN 627 145 260 (to be renamed Mighty Kingdom Limited)

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Rules

Date

1 Definitions and interpretation

1.1 Definitions

In these Rules, unless the contrary intention appears:

ASIC means the Australian Securities and Investments Commission.

Bad Leaver means a person who has ceased to be employed or engaged by a Group Company in circumstances where they are not a Good Leaver.

Board means the board of directors of the Company.

Business Sale means a sale to a third party purchaser of all (or substantially all) of the assets and business undertaking of the Group (including by way of a sale of shares of the Company's directly or indirectly owned Subsidiaries).

Commissioner of Taxation means the office of Commissioner of Taxation created by section 4 of the *Taxation Administration Act 1953* (Cth).

Company means Mighty Kingdom Group Pty Limited ACN 627 145 260 (to be renamed Mighty Kingdom Limited).

Constitution means the constitution of the Company from time to time.

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

Dispose means, in relation to a Share or Option:

- (a) sell, assign, buy-back, redeem, transfer, convey, grant an option over, grant or allow a Security Interest over;
- (b) enter into any swap arrangement, any derivative arrangements or other similar arrangement; or
- (c) otherwise directly or indirectly dispose of a legal, beneficial or economic interest in the Share or Option,

and **Disposal** has a corresponding meaning.

Drag-Along Notice has the meaning provided in rule 10.3.

Eligible Person means any employee, contractor or director (or prospective employee, contractor or director) of one or more Group Companies selected by the Board to participate in the Plan.

Exercise Notice means a notice substantially in the form of Schedule 1.

Exercise Period means in relation to an Option, the period commencing on the date on which the Option vests in accordance with these Rules and ending on the Expiry Date.

Exercise Price means in respect of an Option, the exercise price (if any) to be paid by the Optionholder when exercising the Option as determined by the Board and specified in the Invitation giving rise to that Option, as amended pursuant to these Rules.

Exit Date means each of:

- (a) in respect of a Listing, the date of admission of the IPO Entity to the official list of ASX Limited or any other recognised stock exchange;
- (b) in respect of a Share Sale, the date on which the parties complete the sale and purchase of the Shares; or
- (c) in respect of a Business Sale, the date of the first distribution to Shareholders arising from the Business Sale,

or any such other date as nominated by the Board as the Exit Date.

Exit Event means each of:

- (a) a Listing;
- (b) a Business Sale; or
- (c) a Share Sale,

other than a Restructure.

Expiry Date the earlier of the 'expiry date' specified in the Invitation (if any) or such other date on which the Option lapses under these Rules.

Fair Market Value means as of any date, the fair market value of an Option or Option Share (as applicable), as determined by the Board in good faith on such basis as it deems appropriate and applied consistently with respect to all Options or Option Shares (as applicable).

Good Leaver means a person who has ceased to be employed or engaged by a Group Company as a result of that person's:

- (a) death
- (b) permanent disability or incapacity;
- (c) retrenchment by reason of redundancy; or
- (d) any other reason determined by the Board.

Group means the Company and each Subsidiary (if any) from time to time.

Group Company means any member of the Group.

Invitation means an invitation made by or on behalf of the Board to an Eligible Person to apply to participate in the Plan.

IPO Entity means a Group Company or a special purpose vehicle formed for the purpose of a Listing which directly or indirectly (including through one or more interposed entities) owns at least 50% per cent (based on earnings) of the business of the Group.

Listing means an initial public offering of an IPO Entity to the official list of ASX Limited or any other recognised stock exchange.

Listing Rules means the ASX Listing Rules and any other rules of ASX Limited which apply to an entity while it is a listed entity (or the rules of any other recognised stock exchange (if applicable)), each as amended or replaced from time to time, except to the extent of any express written waiver by ASX Limited (or any other recognised stock exchange (if applicable)).

Majority Shareholders means:

- (a) if there is no Shareholders Agreement or if the Shareholders Agreement does not include any definition of 'majority shareholders' (or a similar expression), Shareholders holding 51% or more of the Ordinary Shares on issue; or
- (b) if there is a Shareholders Agreement which includes a definition of 'majority shareholders' (or a similar expression), that number of Shareholders.

New Holding Entity means an entity in which equity securities are issued in exchange for Shares as part of a Restructure.

Nominee means any nominee or trustee of an Eligible Person.

Option means an option, issued under the Plan in accordance with these Rules, to acquire a newly issued Ordinary Share.

Optionholder means a person registered in the Company's register of Optionholders as the holder of Options from time to time.

Option Share means an Ordinary Share issued as a result of the exercise by an Optionholder of its Options.

Ordinary Shares means fully paid ordinary shares in the capital of the Company with such rights and obligations as set out in the Constitution.

Outstanding Option means an Option which has vested, has not been exercised and has not lapsed.

Plan means the Company's Employee Option Plan constituted by these Rules, as amended from time to time.

Purpose means any of the following purposes:

- (a) the assessment of an Eligible Person's invitation to participate in the Plan; or
- (b) if an Eligible Person's application to participate in the Plan is accepted, the facilitation of the operation and the administration of the Plan.

Restructure means the restructure of the Company involving holders of Shares exchanging those Shares for equity securities in a New Holding Entity such that the equity security holders of the New Holding Entity are, or after the restructure become, the same or substantially the same as the former holders of Shares.

Related Body Corporate has the meaning given in the Corporations Act.

Rules means the terms and conditions set out in this document, as amended from time to time.

Security Interest means an interest or power:

- (a) reserved in or over an interest in any asset including any retention of title; or
- (b) created or otherwise arising in or over any interest in any asset under a security agreement, a bill of sale, mortgage, charge, lien, pledge, trust or power,

by way of, or having similar commercial effect to, security for the payment of a debt, any other monetary obligation or the performance of any other obligation, and includes, but is not limited to:

- (c) any agreement to grant or create any of the above; and
- (d) a security interest within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth).

Share Sale means the sale by Shareholders (in one transaction or a series of connected transactions) to a third party purchaser of all of the issued Shares.

Shareholder means a person who is the registered holder of a Share.

Shareholders Agreement means the shareholders agreement in respect of the Company (if any), as amended or replaced from time to time.

Shares means shares in the capital of the Company with such rights and obligations as set out in the Constitution.

Subsidiary has the meaning given in the Corporations Act.

Tax Act means the *Income Tax Assessment Act 1997* (Cth).

1.2 Interpretation

In these Rules, unless the context otherwise requires:

- (a) **(documents)** a reference to an agreement or document is to the agreement or document as varied, amended, supplemented, novated or replaced from time to time.
- (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, government agency, 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) **(including)** including and includes (and any other similar expressions) are not words of limitation, and a list of examples is not limited to those items or to items of a similar kind.
- (g) **(corresponding meanings)** a word that is derived from a defined word has a corresponding meaning.
- (h) **(singular)** the singular includes the plural and the converse.
- (i) **(gender)** words importing one gender include all other genders.
- (j) **(rules of construction)** neither these Rules nor any part of them are to be construed against a party on the basis that a party or its lawyers were responsible for its drafting.
- (k) **(legislation)** a reference to any legislation or provision of legislation includes all amendments, consolidations or replacements and all regulations or instruments issued under it.
- (l) **(time and date)** a reference to a time or date is a reference to the time and date in Adelaide, Australia.
- (m) **(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.
- (n) **(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.
- (o) **(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.
- (p) **(Australian currency)** a reference to dollars or \$ is to Australian currency.

2 Introduction

2.1 Purpose

The purpose of the Plan is to provide Eligible Persons with an opportunity to share in the growth in value of the Shares and to encourage them to improve the performance of the Group'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.

2.2 *Commencement of Plan*

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

2.3 *Advice*

Eligible Persons 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.

2.4 *Operation of the Plan*

The Plan operates according to these Rules which bind each Group Company and each Eligible Person. If, and to the extent that, Subdivision 83A.33 of the Tax Act is not available or applicable to a particular grant of Options or Option Shares, then this Plan is a plan to which Subdivision 83A-C of the Tax Act applies (subject to the conditions in that Tax Act), unless specifically stated otherwise in the Invitation.

3 Administration

3.1 *Administration of Plan and delegation*

- (a) The Plan is to be administered by the Board.
- (b) The Board may delegate some or all of its powers in administering the Plan to a sub-committee of the Board.
- (c) Subject to these Rules, the Board or any sub-committee appointed to administer the Plan shall have the power:
 - (i) to determine the Eligible Persons that may participate in the Plan and, following such determination, to make an Invitation to such Eligible Person(s) at any time and from time to time;
 - (ii) to determine the terms and conditions of any Invitation, including:
 - (A) the number of Options the subject of the Invitation;
 - (B) the purchase price (if any) for those Options;
 - (C) the Exercise Price (if any);
 - (D) any trustee or Nominee holding arrangements required to be entered into in connection with those Options;
 - (E) the vesting, disposal and forfeiture restrictions applying to those Options; and
 - (F) the manner in which the Eligible Person may apply to participate in the Plan pursuant to the Invitation;
 - (iii) subject to rule 15, to amend any Invitation related to any Option;

- (iv) to determine appropriate procedures, regulations and guidelines for the administration of the Plan; and
- (v) to take advice in relation to the exercise of any of its powers or discretions under these Rules.

3.2 *Calculations and adjustments*

Any calculations or adjustments which are required to be made by the Board or any sub-committee of the Board, in connection with the Plan or these Rules will, in the absence of manifest error, be final and conclusive and binding on all Eligible persons and Optionholders.

3.3 *Absolute discretion*

Where these Rules provide for a determination, decision, declaration or approval of the Board or any sub-committee of the Board, such determination, decision, declaration or approval may be made or given by the body in its absolute discretion.

3.4 *Powers to be exercised by the Board*

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 under any fiduciary or other obligation to any other person.

3.5 *Right to nominate*

- (a) Unless otherwise expressly permitted in the Invitation, an Eligible Person may only apply to participate in the Plan pursuant to such Invitation in the Eligible Person's own name and not on behalf of any other person.
- (b) If an Eligible Person is permitted in the Invitation, the Eligible Person may, by notice in writing to the Board, nominate a Nominee in whose favour the Eligible Person wishes to renounce the Invitation in order for the Nominee to be granted the Options the subject of the Invitation.
- (c) The Board may in its discretion resolve not to allow a renunciation of an Invitation in favour of a Nominee without giving any reason for that decision.
- (d) If the Board resolves to allow a renunciation of an Invitation in favour of a Nominee:
- (i) the Board may impose any such conditions that it thinks fit in respect of that renunciation; and
 - (ii) the Eligible Person must procure that the permitted Nominee accepts the Invitation made to the Eligible Person and that both the Eligible Person and the Nominee agree to be bound by the Rules and the Invitation and execute any documents required by the Company in order to receive the grant and to give effect to these Rules.

- (e) If Options are granted to a Nominee nominated by an Eligible Person, then to the extent necessary to give effect to the intent of these Rules, the Eligible Person will continue to be treated as the Optionholder with respect to those Options.

3.6 *Multiple Invitations*

The Board may invite an Eligible Person to apply for any number of Options, notwithstanding that the Eligible Person has previously been invited to apply for Options.

3.7 *Eligible Person agrees to be bound*

By applying to participate in the Plan in response to, and in accordance with, an Invitation, the Eligible Person is deemed to have agreed to be bound by:

- (a) the terms and conditions of the Invitation; and
- (b) these Rules.

3.8 *Acceptance of application*

- (a) The Board may accept, in whole or in part, an Eligible Person's application to participate in the Plan in response to an Invitation.
- (b) Unless otherwise determined by the Board, an application to participate in the Plan will not be accepted if:
 - (i) the applicant is not an Eligible Person;
 - (ii) notice of termination of the applicant's employment or engagement with the relevant Group Company has been given (whether by the applicant or by one or more members of the Group); or
 - (iii) the Board has determined that the applicant is no longer eligible to participate in the Plan.

3.9 *Grant of Options*

Following an Eligible Person's application to participate in the Plan in response to, and in accordance with, an Invitation (**Application**), the Company will, to the extent that it has accepted such Application, grant the Eligible Person the relevant number of Options, subject to the terms and conditions set out in the Invitation and these Rules.

4 *Vesting of Options*

4.1 *What vesting conditions may be set*

- (a) An Invitation may specify any:
 - (i) vesting conditions; or
 - (ii) other vesting events,which must be satisfied before an Option vests.
- (b) Subject to rule 15, the Board may determine or vary any:

- (i) vesting conditions; or
 - (ii) other vesting events,
- in respect of any Option.

4.2 *Options only vest if vesting conditions/events satisfied*

An Option will only vest on the occurrence or satisfaction of the vesting conditions or other vesting events specified in respect of that Option.

4.3 *How to exercise an Option*

An Optionholder may exercise an Outstanding Option during the Exercise Period, by:

- (a) giving to the Company a signed Exercise Notice; and
- (b) paying the Exercise Price multiplied by the number of Options being exercised.

5 Treatment of Options for leavers

5.1 *Good Leavers*

If an Eligible Person is a Good Leaver, the Board may in its absolute discretion:

- (a) despite any vesting conditions applicable to the unvested Options held by the Eligible Person or their Nominee, determine that such unvested Options have vested;
- (b) determine that some or all of the unvested Options held by the Eligible Person or their Nominee have lapsed;
- (c) give notice (**Good Transfer Notice**) to the Eligible Person requiring the Eligible Person or their Nominee to sell some or all of their Options (**Transfer Securities**) to any person nominated by the Board, and:
 - (i) the purchase price for such sale will be the Fair Market Value of the Transfer Securities as at the date the Eligible Person becomes a Good Leaver; and
 - (ii) completion of such sale of the Transfer Securities must occur on the date determined by the Board in its absolute discretion and notified to the Eligible Person,

and the Eligible Person or their Nominee (as the case may be) must transfer the Transfer Securities in accordance with the Good Transfer Notice;

- (d) allow the Eligible Person or their Nominee (as the case may be) to retain some or all of their unvested Options and/or Outstanding Options;
or
- (e) give notice to the Eligible Person giving them or their Nominee (as the case may be) 30 days in which to exercise some or all Outstanding Options held by that Eligible Person or their Nominee, and any

Outstanding Options which are not exercised within that period will automatically lapse,

or any combination of the above.

5.2 *Bad Leavers*

- (a) If an Eligible Person is a Bad Leaver:
- (i) all unvested Options and Outstanding Options held by the Eligible Person or their Nominee (as the case may be) automatically lapse with effect on the date the Eligible Person becomes a Bad Leaver, unless otherwise determined by the Board; and
 - (ii) if the Board determines that some or all unvested Options and/or Outstanding Options will not automatically lapse on the date the Eligible Person becomes a Bad Leaver under rule 5.2(a)(i), the Board may, in its absolute discretion:
 - (A) give notice to the Eligible Person that one or more of the actions that may be taken with respect to a Good Leaver under rule 5.1 will be applied to the Eligible Person or their Nominee (as the case may be); and/or
 - (B) serve a notice in writing on the Eligible Person (**Bad Transfer Notice**), requiring the Eligible Person or their Nominee to sell some or all of their Options (**Transfer Options**) to any person nominated by the Board at 50% of the Fair Market Value of the Transfer Options as at the date that the Eligible Person becomes a Bad Leaver.
- (b) If the Board issues a Bad Transfer Notice, the relevant Eligible Person or their Nominee (as the case may be) must transfer the Transfer Options in accordance with the Bad Transfer Notice and completion of the sale of the Transfer Options must occur on the date determined by the Board and notified to the relevant Eligible Person.

6 Treatment of Option Shares for leavers

6.1 *Right to buyback or direct the transfer of Option Shares*

- (a) If an Eligible Person is a Bad Leaver or a Good Leaver, the Board may:
- (i) give notice to the Eligible Person of its intention to buy back some or all of the Option Shares (**Leaver Securities**) held by the Eligible Person or their Nominee at the price set out in rule 6.2; or
 - (ii) direct the Eligible Person or their Nominee to transfer the Leaver Securities to a person nominated by the Board at the price set out in rule 6.2.
- (b) If the Board notifies the Eligible Person that it wishes to buy back the Leaver Securities under rule 6.1(a)(i), the Eligible Person and their Nominee (if any) must do everything necessary to facilitate the sale of

the Leaver Securities to the Company within 5 Business Days of the Board's notice, including entering into a buy back agreement or share transfer documentation.

- (c) Despite rule 6.1(a)(i) and 6.1(b), the Company may only buy back the Leaver Securities if it is permitted to do so under Part 2J.1 of the Corporations Act.
- (d) If the Board directs the Leaver Securities to be transferred under clause 6.1(a)(ii), the relevant Eligible Person or their Nominee must transfer the Leaver Securities as directed and completion of the sale of the Leaver Securities must occur on the date determined by the Board and notified to the relevant Eligible Person.

6.2 *Purchase price of Leaver Securities*

The price for the Leaver Securities is:

- (a) if the Eligible Person is a Good Leaver, 100% of Fair Market Value; and
- (b) if the Eligible Person is a Bad Leaver, 50% of Fair Market Value.

The price for the Leaver Securities must be paid by the Company or the transferee (as applicable) on the date on which the Leaver Securities are bought back by the Company or transferred to the transferee (as applicable).

6.3 *Other remedies*

The rights and remedies set out in this rule 6 do not exclude any other rights or remedies that a Group Company may have against an Eligible Person or their Nominee.

6.4 *Suspension*

To the extent that the law allows, from the date an Eligible Person is a Bad Leaver, the rights of that Eligible Person or their Nominee as a holder of Option Shares (including dividend and distribution rights in relation to Option Shares and the rights to attend and vote at general meetings of Shareholders and to receive information and documents) are suspended until:

- (a) those Option Shares have been bought back by the Company or transferred in accordance with this rule 6; or
- (b) the Board notifies the Eligible Person that, as at the date of the notice, it does not intend to exercise its rights under rule 6.1(a).

6.5 *These rules not a buy back agreement*

These Rules do not constitute a buy back agreement in respect of Leaver Securities.

6.6 *Inconsistency with Shareholders Agreement*

To the extent this rule 6 is inconsistent with any similar provision in the Shareholders Agreement, the provisions in this rule 6 will prevail.

7 Disposal

7.1 *Restrictions on a sale of Options and Option Shares*

Subject to rules 7.2 and 7.4, Options and Option Shares may not be transferred, except:

- (a) in connection with an Exit Event; or
- (b) with the prior written consent of the Board.

7.2 *Permitted Disposals*

- (a) Subject to the restriction on Disposal in rule 7.4, a legal or beneficial interest in an Option or Option Share may be Disposed of pursuant to:
 - (i) a transfer by an Optionholder or holder of Option Shares (as the case may be) of any of its Options or Option Shares to a Nominee, and any such Nominee may transfer Options or Option Shares to any other Nominee provided that no beneficial interest in the Options or Option Shares passes as a result of the transfer;
 - (ii) a transfer of Options or Option Shares by an Optionholder or holder of Option Shares (as the case may be) who is a natural person to the trustee or trustees of a family trust set up for the benefit of that person's family provided that a person acquiring Options or Option Shares pursuant to this rule 7.2(a)(ii) is not entitled to transfer any Options or Option Shares except for a transfer to the person from whom the transferee acquired the Options or Option Shares;
 - (iii) in the event of the death of an Optionholder or holder of Option Shares (as the case may be), a transfer or transmission of the deceased person's Options or Option Shares to the deceased person's estate;
 - (iv) a transfer by an Optionholder or holder of Option Shares (as the case may be) of any of its Options or Option Shares where such transfer has been consented to in writing by the Board; or
 - (v) a sale or transfer by an Optionholder or holder of Option Shares (as the case may be) of any of its Options or Option Shares where such sale or transfer is otherwise permitted or required by these Rules.
- (b) In respect of the Option Shares only, to the extent this rule is inconsistent with any similar provision in the Shareholders Agreement, the provision in the Shareholders Agreement will prevail, EXCEPT for the overriding disposal restriction in rule 7.4 which prevails over any permitted disposals under this rule.

7.3 *Restriction on Disposal after Listing*

Unless otherwise consented to by the Board in writing and notwithstanding any other provision in these Rules or an Invitation, with the exception of rule 7.4, if an Eligible Person or their Nominee holds an Option Share at the date of a Listing, the Eligible Person or their Nominee (as applicable) must not Dispose of a legal or a beneficial interest in any Option Share until on or after the earlier of:

- (a) the date that is 180 days following the Listing; and
- (b) the expiration of any underwriter imposed lock-up in connection with the Listing.

7.4 *Overriding restriction on Disposal in first 3 years*

- (a) Unless an Optionholder or holder of Option Shares (as the case may be) disposes of an Option or an Option Share under an arrangement which meets the requirements in section 83A-130 of the Tax Act, a legal or a beneficial interest in an Option or an Option Share may not be Disposed of until the earlier of:
 - (i) 3 years after the issue of the Option or such earlier time as the Commissioner of Taxation allows in accordance with section 83A-45(5) of the Tax Act; and
 - (ii) the date that the Optionholder or holder of Option Shares (as the case may be) ceases to be employed or contracted by a Group Company (if the Optionholder or holder of Option Shares is a Nominee for the person who was first offered Options then this rule applies when that person ceases to be employed or contracted by a Group Company).
- (b) To the extent of any inconsistency between this rule 7.4 and the provisions of the Shareholders Agreement, the provisions of this rule 7.4 will prevail.

8 Issue of Ordinary Shares on exercise

8.1 *Rights attaching to Shares issued to Optionholders on exercise of Outstanding Options*

- (a) Subject to rule 8.2(a), if an Optionholder exercises Outstanding Options, the Company must:
 - (i) issue the number of Ordinary Shares which corresponds with the number of Outstanding Options exercised, free from any Security Interest;
 - (ii) issue to the Optionholder or its Nominee a share certificate for those Ordinary Shares and enter the Optionholder into the Company's share register; and
 - (iii) lodge with the ASIC the relevant forms to reflect the issue of the relevant number of Option Shares.

- (b) All Option Shares issued on exercise of Options in accordance with this rule 8 will:
- (i) be issued as fully paid;
 - (ii) be free of any Security Interests; and
 - (iii) rank equally in all respects with the other Ordinary Shares on issue in the Company as at the date of issue and be subject to the terms of these Rules, the Constitution and Shareholders Agreement (if any).

8.2 *Shareholders Agreement*

- (a) Despite anything else in these Rules, if there is a Shareholders Agreement in place, unless the Board otherwise determines, no Optionholder or Nominee may receive any Option Shares upon the exercise of Options, unless:
- (i) the Optionholder or Nominee (as applicable) first executes and delivers to the Company a document (in the form prescribed by the Board) pursuant to which the Optionholder or Nominee (as applicable) accedes to, and becomes bound by, the terms of the Shareholders Agreement; or
 - (ii) the Optionholder or Nominee (as applicable) is already a party to the Shareholders Agreement.
- (b) If at the time of exercise of an Option the Company does not have a Shareholders Agreement in place, the Optionholder agrees, by serving an Exercise Notice, to enter into (or procure that its Nominee enters into) a Shareholders Agreement if the Company subsequently adopts one, provided that such Shareholders Agreement is broadly consistent with the provisions in these Rules covering Disposal and the procedures on an Exit Event. By serving an Exercise Notice on the Company, an Optionholder will be taken to have agreed to this requirement.

9 Procedure on Restructure or Reconstruction

9.1 *Restructure*

If there is a Restructure, the New Holding Entity or any Related Body Corporate of the New Holding Entity must grant new options in substitution of some or all of the Options on a like for like basis.

9.2 *Reconstruction*

- (a) In the event of any reconstruction of the share capital of the Company prior to the exercise of the Options (including consolidation, subdivision, reduction, capital return, buy back or cancellation), the number of Option Shares that may be acquired by an Optionholder on exercise of their Options and/or the consideration (if any) payable by the Optionholder for the exercise of their Options must be reconstructed accordingly, in a manner that does not result in any additional benefits

being conferred on the Optionholder that are not conferred on shareholders of the Company.

- (b) The Board must give notice to each Optionholder of any adjustment to the Options and/or Option Shares to which that Optionholder is entitled pursuant to the provisions of rule 9.2(a).

10 Procedure on Exit Event

10.1 *Vesting of Options on Exit*

- (a) All unvested Options granted at least one year prior to the date of an Exit Event will automatically vest with effect immediately prior to completion of the Exit Event.
- (b) The Board will determine whether any unvested Options granted less than one year prior to the date of an Exit Event will vest with effect immediately prior to completion of the Exit Event.

10.2 *Treatment of Options on Exit Event*

- (a) Prior to an Exit Event, the Board must notify an Optionholder of the upcoming Exit Event and provide reasonable details of the Exit Event.
- (b) On or prior to an Exit Event, and subject to the restriction on Disposal in rule 7.4, the Board must either:
 - (i) cancel some or all of the Options by paying the Optionholder, with respect to each cancelled Option, the amount per Ordinary Share that will be paid under the Exit Event, less:
 - (A) the Optionholder's proportionate share of transaction costs; and
 - (B) the Exercise Price that would have otherwise been payable with respect to the cancelled Options; and/or
 - (ii) make appropriate arrangements to ensure that all Outstanding Options are able to be exercised on or prior to the Exit Date and use reasonable endeavours to ensure that the Option Shares issued at or about the time of an Exit Event are accorded the same rights and receive the same benefits in relation to the Exit Event as pre-existing Ordinary Shares.
- (c) If the Board undertakes the action set out in rule 10.2(b)(ii), any Outstanding Options as at the date of completion of the Exit Event automatically lapse on completion of the Exit Event.
- (d) If:
 - (i) the Company expects an Exit Event to occur; or
 - (ii) an Exit Event not anticipated by the Company does occur, then the Company may, by notice to all Optionholders, require that all Outstanding Options (including those Options vesting under rule 10.1) either be exercised:

- (iii) on or before the Exit Date pertaining to the relevant Exit Event; or
- (iv) in the case of an unanticipated Exit Event, a date after the Exit Date for that event,

or if they are not exercised to lapse on a date specified by the Board.

10.3 *Drag along*

- (a) On or prior to the Exit Date, the Board must if requested to do so by the Majority Shareholders (**Dragging Shareholders**) issue a notice (**Drag Along Notice**) to each Eligible Person or his or her Nominee holding Options or Option Shares (**Dragged Holder**) stating that they want the Dragged Holder to sell all of its Option Shares to:
 - (i) a third party buyer in connection with a Share Sale; or
 - (ii) an IPO Entity in connection with a Listing.
- (b) The Drag Along Notice must specify:
 - (i) the number of Shares which the Dragging Shareholders propose to sell (**Sale Shares**), which must be all of the Shares held by those Dragging Shareholders;
 - (ii) the name of the proposed buyer of the Sale Shares (**Third Party Buyer**), and the material terms on which the Dragging Shareholders propose to sell the Sale Shares;
 - (iii) that the Third Party Buyer is either:
 - (A) a prospective third party purchaser who has made an offer to purchase the Sale Shares at the price and on the terms set out in the Drag Along Notice; or
 - (B) an IPO Entity;
 - (iv) the sale price per Share (which may be cash consideration, scrip consideration or a combination of both cash and scrip); and
 - (v) that the Dragging Shareholders require the Dragged Holder to sell all of the Dragged Holder's Option Shares to the Third Party Buyer in accordance with this rule 10.3.
- (c) A Drag-Along Notice is irrevocable.
- (d) If the Dragging Shareholders serve a Drag Along Notice, then subject to rule 7.4, a Dragged Holder must as part of the sale of the Sale Shares to the Third Party Buyer, sell all of its Option Shares to the Third Party Buyer on terms which comply with rules 10.3(f) and 10.3(g).
- (e) If the Dragged Holder is prevented from Disposing of their Option Shares under rule 7.4, then this rule 10.3 will not apply to the Dragged Holder in respect of those Option Shares.
- (f) The sale of the Dragged Holder's Option Shares to the Third Party Buyer under this rule 10.3 must be for the same sale price per Share

and on the same terms and conditions as those applicable to the sale by the Dragging Shareholders of the Sale Shares to the Third Party Buyer.

- (g) The Dragging Shareholders must procure that the purchase price payable for the Dragged Holder's Option Shares is paid on the closing of the purchase and sale, which must take place at the same time as the closing of the sale of the Sale Shares by the Dragging Shareholders to the Third Party Buyer.
- (h) Without limiting rule 10.3(d), on completion of the purchase and sale of the Dragged Holder's Option Shares, the Dragged Holder must deliver to the Third Party Buyer:
 - (i) the share certificates and an executed transfer for the Dragged Holder's Option Shares; and
 - (ii) a duly executed notice irrevocably appointing the Third Party Buyer as the Dragged Holder's proxy in respect of the Dragged Holder's Option Shares until such time as those Option Shares are registered in the name of the Third Party Buyer;
- (i) To the extent of any inconsistency between this rule 10.3 and the provisions of the Shareholders Agreement, the provisions of the Shareholders Agreement will prevail.

11 Listings

Each Eligible Person agrees and represents that:

- (a) in the event that a Listing is proposed by the Board, it will do all things and provide all assistance as is reasonably required by the Company in connection with the actual or proposed Listing, including, if required by the Company, entering into an underwriting, escrow or offer management agreement or similar agreement on market terms; and
- (b) if, as part of the Listing, the Option Shares or the shares held in the IPO Entity (as applicable) (together, the **Listing Shares**) are subject to the Listing Rules (including, without limitation, if the holder's Listing Shares are "restricted securities" for the purpose of the Listing Rules), each holder will hold and deal with its Listing Shares in accordance with the Listing Rules.

12 Option does not give Shareholder rights

- (a) An Invitation will be in respect of a single grant of Options and does not entitle an Eligible Person to participate in any subsequent grants.
- (b) An Option does not confer on an Eligible Person or an Optionholder:
 - (i) any voting rights in respect of Shares or in respect of any other equity securities of the Company;
 - (ii) the right to participate in new issues of Shares or other equity securities of the Company;

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- (iii) the right to attend or vote at any general meeting or other meeting of holders of any Shares or other equity securities of the Company;
 - (iv) the right to receive any dividends or other distributions or to receive or otherwise participate in any returns of capital from the Company; or
 - (v) the right to participate in a liquidation or winding up of the Company.

13 Power of attorney

13.1 *Appointment*

Each Eligible Person and Optionholder irrevocably appoints the Company and each director of the Company as that Eligible Person's or Optionholder's attorney to do any one or more of the following things on behalf of that Eligible Person or Optionholder and in the name of that Eligible Person or Optionholder:

- (a) to execute under hand or seal and (if appropriate) deliver, or otherwise effect the entry by that Eligible Person or Optionholder into, any documents that the Board determines are necessary or desirable to give effect to, or evidence participation by that Eligible Person or Optionholder under, the Plan or to complete any transaction contemplated by these Rules;
- (b) to perform any act, matter or 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 that Eligible Person or Optionholder under, the Plan or to complete any transaction contemplated by these Rules; and
- (c) to appoint any one or more substitute attorneys to exercise any of the powers under rules 13.1(a) or 13.1(b) and to revoke any of those appointments.

13.2 *Ratification*

- (a) Each Eligible Person and Optionholder ratifies and confirms whatever the Company or any other attorney does in exercising powers under rule 13.1.
- (b) Each Eligible Person and Optionholder declares that all acts, matters and things done by the Company or any other attorney in exercising powers under rule 13.1 will be as good and valid as if they had been done by that Eligible Person or Optionholder (as the case may be).

13.3 *Indemnity*

Each Eligible Person and Optionholder indemnifies the Company and each other person who exercises powers under rule 13.1 against all liability and loss arising from and all costs incurred in connection with an exercise of powers under rule 13.1.

14 Employment rights

14.1 *Acknowledgement by Eligible Person*

It is acknowledged and accepted by each Eligible Person that:

- (a) neither these Rules nor any contract formed between the Company and that Eligible Person 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 an Eligible Person under this Plan.

14.2 *No claims*

An Eligible Person 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 that Eligible Person's employment or appointment for any reason.

14.3 *Termination and suspension of Plan*

If the Board terminates or suspends the Plan, no compensation under any employment contract will be payable to any Eligible Person.

14.4 *No right to acquire Options or Option Shares*

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

14.5 *Calculation of employee benefits*

The value of Options or Option Shares do not increase an Eligible Person's income or remuneration for the purpose of calculating any employee benefits, including any payment in lieu of notice or redundancy or severance payments.

14.6 *No right to future employment*

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

15 Amendment to Rules

15.1 *Amendment*

Subject to rules 15.2 and 15.3, 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 15) or any Invitation.

15.2 *Accrued rights*

No amendment of the provisions of these Rules or any Invitation may reduce the accrued rights of any Eligible Person in respect of Options or Option Shares issued 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 an Eligible Person 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; or
 - (v) to enable the Company to comply with the Corporations Act or any other applicable laws; or
- (b) with the consent of the Optionholders who between them hold not less than 75% of the total number of all issued Options before making the amendment.

15.3 *Retrospectively*

Subject to the above provisions of this rule 15, any amendment made under rule 15.1 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 or any Invitation, 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.

15.4 *Eligible Persons outside Australia*

- (a) The Company may make Invitations to Eligible Persons who reside outside of Australia.
- (b) 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 Persons residing

outside Australia, having regard to any securities, exchange control or taxation laws or regulations or similar factors which may apply to that Eligible Person, the Group or the Plan.

16 No warranty

16.1 *Financial benefits*

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

16.2 *Tax*

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

17 Confidentiality

17.1 *Confidential information*

Subject to rule 17.2, each Eligible Person and Optionholder must keep confidential all information and documents disclosed to that Eligible Person or Optionholder (as applicable) in connection with the Plan, including:

- (a) these Rules and the Invitation;
- (b) the Constitution and the Shareholders Agreement;
- (c) the Fair Market Value; and
- (d) information and documents of every kind concerning or in any way connected with the Group, its trade secrets or its financial or business affairs, including financial reports, performance reports, business plans and marketing plans.

17.2 *Exceptions*

Rule 17.1 does not impose obligations on an Eligible Person or Optionholder concerning information and documents which that Eligible Person or Optionholder proves to the reasonable satisfaction of the Company:

- (a) was or were disclosed by that Eligible Person or Optionholder to its tax, financial or legal advisors;
- (b) became publicly available without breach of an obligation of confidence; or
- (c) was or were disclosed by that Eligible Person or Optionholder with the Company's prior authorisation, or in the proper performance of that Eligible Person's or Optionholder's duties for the Group or as obliged by law.

18 Data protection

18.1 *Collection and purpose*

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

18.2 *Consent*

By completing, countersigning and returning an Invitation, an Eligible Person 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, ASIC 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 Person may withdraw this authorisation.

18.3 *Access to personal information*

An Eligible Person 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.

19 General

19.1 *Further assurances*

Each Eligible Person and Optionholder agrees that it will complete and return to the Company such other documents as may be required by law to be completed by the Eligible Person or Optionholder from time to time in respect of the transactions contemplated by these Rules or such other documents which the Company reasonably considers should, for legal, taxation or administrative reasons, be completed by the Eligible Person or Optionholder in respect of the transactions contemplated by these Rules.

19.2 *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 or by email at the address or email address last notified by the intended recipient to the sender after the date of these Rules; and

- (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 an email, on the day and at the time that the recipient confirms the email is received.

This rule does not limit the way in which a Notice can be deemed to be served under any applicable law.

19.3 *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.

19.4 *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.

19.5 *Invalidity*

- (a) A word or provision must be read down if:
 - (i) these Rules are 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:

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- (i) despite the operation of rule 19.5(a), 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 19.5(b)(i) or (ii) applies.

19.6 *Applicable laws*

Notwithstanding any provision of these Rules, Options and Option Shares may not be allocated, allotted, issued, acquired, held, transferred, delivered or otherwise dealt with 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.

19.7 *Plan costs*

- (a) Unless otherwise determined by the Board, the Company must pay all costs relating to the establishment and operation of the Plan.
- (b) Each Eligible Person must pay their own costs in connection with their participation under the Plan, including all costs to review the documents and information provided to that Eligible Person in connection with the Plan and all taxes for which that Eligible Person may be liable as a result of their participation under the Plan, the issue of Options or Option Shares or any other dealing with the Options or Option Shares.

19.8 *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.

19.9 *Governing law and jurisdiction*

The laws applicable in South Australia govern these Rules.

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Schedule 1 Option Exercise Notice

I..... (the "**Optionholder**")
being the registered holder of the Options specified below, elect to exercise those
Options pursuant to rule 8 of the Employee Option Plan Rules in respect of Mighty
Kingdom Group Pty Limited ACN 627 145 260 (to be renamed Mighty Kingdom
Limited) ("**Company**").

Options being exercised:

Total number of Options being exercised
.....

Exercise Price:

Exercise Price per Option
.....

Total Exercise Price

.....

I agree to be bound by the provisions of the Constitution of the Company, upon being
issued Ordinary Shares.

Signed by the Optionholder:
.....

Date:
.....