



**SHARE RIGHTS PLAN  
RULES**

**MORTGAGE CHOICE LIMITED**

ABN 59 009 161 979

## **1 Purpose**

The object of the Plan is to:

- (a) align the interests of Eligible Employees with those of shareholders
- (b) provide incentives to attract, retain and/or motivate Eligible Employees for the interests of the Company; and
- (c) provide Eligible Employees with the opportunity to acquire Share Rights, and ultimately Shares, in accordance with these Rules.

## **2 Grant of Share Rights**

### **2.1 Board to make grant**

- (a) The Board may, from time to time, in its discretion:
  - (i) grant to an Eligible Employee; or
  - (ii) invite Eligible Employees to apply for a grant of,  
  
Share Rights upon the terms of the Plan and such additional terms and conditions, including any Conditions, as the Board determines.
- (b) Notwithstanding rule 2.1(a), the Board may decide not to proceed with a grant of a Share Right or reject an application for a Share Right where an Eligible Employee does not satisfy any relevant Conditions imposed by the Board (which may include that the Eligible Employee continues to be an employee of the Group) at the time of the actual grant or receipt of applications for a grant of Share Rights.
- (c) Unless the Board determines otherwise, no payment is required for the grant of a Share Right.

### **2.2 Acceptance of application**

- (a) An Eligible Employee who is granted, or who applies for a grant of, Share Rights is deemed to have agreed to be bound by the terms of these Rules, any additional terms specified in the terms of grant or invitation and, upon allocation of a Share, to have agreed to become a member of the Company (and to be bound by the constitution of the Company).
- (b) If an invitation is issued pursuant to rule 2.1(a)(ii), the Board will grant Share Rights to the Eligible Employee upon the Company accepting an application.

### **2.3 Information to be provided**

The Board will, at the time of a grant or invitation pursuant to rule 2.1(a), advise each Eligible Employee of the following minimum information regarding Share Rights:

- (a) the number, or maximum value, of Share Rights being offered or the method for determining the number or maximum value;
- (b) any applicable Conditions and the applicable Period;

- (c) the time or times at which Share Rights may vest;
- (d) any amount that will be payable upon vesting of a Share Right (if applicable);
- (e) the period or periods during which Share Rights may be exercised and the manner of exercise of the Share Rights (if applicable);
- (f) the date, time and circumstances when Share Rights lapse; and
- (g) any other relevant terms and conditions to be attached to the Share Rights or Shares acquired on vesting of a Share Right (including for example, any restrictions on transfer of the Shares).

## **2.4 Title to Share Rights**

- (a) Unless the Board determines otherwise, Share Rights may not be registered in any name other than that of the Participant.
- (b) A Share Right granted under, and subject to, the Rules is only transferable with the consent of the Board or by force of law.
- (c) Where the Participant purports to transfer a Share Right other than in accordance with rule 2.4(b), the Share Right immediately lapses.

## **2.5 Prohibition against hedging**

- (a) A Participant must not enter into any scheme, arrangement or agreement (including options and derivative products) under which the Participant may alter the economic benefit to be derived from Share Rights that remain subject to these Rules, irrespective of future changes in the market price of Shares.
- (b) Where a Participant enters, or purports to enter, into any scheme, arrangement or agreement described in rule 2.6(a), the Share Rights will immediately lapse.

## **3 Vesting and lapse of Share Rights**

### **3.1 Vesting of Share Rights**

- (a) Subject to rules 3.1(b) (Board discretion), 5 (cessation of employment), 6 (fraud or dishonesty), 7 (reorganisation or divestment), 8 (change of control) and 9.2 (Board powers), a Share Right granted under the Plan will not vest unless the Conditions (if any) advised to the Participant pursuant to rule 2.2 have been satisfied.
- (b) The Board may, in its discretion, determine that a Share Right vests prior to the date specified by the Board for the purposes of rule 2.3.

### **3.2 Lapse of Share Rights**

Subject to the Board's overriding discretion, unvested Share Rights granted to a Participant will lapse upon the earliest to occur of:

- (a) the date specified by the Board for the purposes of rule 2.3;
- (b) an event described in rules 2.4 (transfer restriction), 5 (cessation of employment), 6 (fraud or dishonesty), 7 (reorganisation or divestment) or 8 (change of control);
- (c) failure to meet the Conditions by the end of the Period; or
- (d) the 7th anniversary of the date the Share Right was granted.

## **4 Allocation of Shares**

### **4.1 Allocation**

Subject to these Rules, upon vesting of a Share Right, the Company must issue or procure the transfer to:

- (a) the Participant (or his or her personal representative); or
- (b) a trustee who is to hold Shares on behalf of the Participant,

the number of Shares (or fraction of a Share) into which the Share Right is convertible as outlined in the terms and conditions of a grant or invitation issued pursuant to rule 2.1(a) (which may include a formula for calculating the relevant number of Shares).

### **4.2 Ranking of Shares**

All Shares issued under the Plan will rank equally in all respects with other Shares for the time being on issue, except with regard to any rights attaching to such other Shares by reference to a record date prior to the date of allocation of those Shares.

### **4.3 Listing on ASX**

The Company will apply for quotation of Shares issued under the Plan within the period required by ASX.

### **4.4 Transfer restrictions**

- (a) The Board may, in its discretion, impose any trading or other restrictions in respect of Shares allocated on the exercise or vesting (as the case may be) of a Share Right.
- (b) The Board must provide the Participant with details of any such restrictions at the time of a grant or invitation pursuant to rule 2.1(a).
- (c) The Board may implement any procedure it considers appropriate to restrict a Participant from trading in Shares while they remain subject to these Rules including, without limitation, imposing a holding lock on the Shares or arranging for Shares to be held on trust.

### **4.5 Alternate satisfaction of Share Rights**

Notwithstanding any rule under the Plan, the Board may determine that, upon vesting of a Share Right, the Participant will receive a cash payment in full satisfaction of the Share that would otherwise be allocated on vesting of that Share Right (after deduction of any amount required by law to be withheld).

## **5 Cessation of employment**

### **5.1 Unvested Share Rights**

- (a) Where a Participant holding unvested Share Rights ceases to be an employee of the Group, those Share Rights immediately lapse.
- (b) Notwithstanding rule 5.1(a), where a Participant holding unvested Share Rights ceases to be an employee of the Group due to a Qualifying Reason, the Board may, in its discretion, determine the treatment of any unvested Share Rights.
- (c) The Board will give written notice to each Participant of the number of Share Rights that vest pursuant to rule 5(b).

## **5.2 Shares allocated on vesting of Share Rights**

The Board may, at its discretion, determine that a Participant will forfeit his or her interest in any Shares that are allocated to the Participant on vesting of Share Rights which are subject to a trading restriction if, during such restriction period, the Participant:

- (a) is dismissed for cause;
- (b) resigns; or
- (c) is terminated in circumstances that, in the opinion of the Board, involve a failure by the Participant to meet performance objectives in connection with his or her employment.

## **5.3 When employment ceases**

For the purposes of this Plan, a Participant will not be treated as ceasing employment until such time as the Participant is no longer an employee of the Group.

# **6 Fraud, dishonesty or material misstatement**

## **6.1 Action of Participant**

Where, in the opinion of the Board, a Participant or former Participant:

- (a) acts fraudulently or dishonestly; or
- (b) is in breach of his or her obligations to the Group; or
- (c) is knowingly involved in a material misstatement of financial statements;

then the Board may determine that:

- (d) the Conditions and/or Period applying to the Share Rights should be reset or altered (as the case may be);
- (e) all or any Share Rights of the Participant which have not vested, lapse;
- (f) all or any Shares held by the Participant following vesting of Share Rights are forfeited; and/or
- (g) where Shares that have been allocated to the Participant upon exercise or vesting (as the case may be) of a Share Right have been sold, that the Participant repay all or part of the net proceeds of such a sale to the Company.

## **6.2 Actions of others**

Where, in the opinion of the Board, a Share Right vests, or may vest, as a result of the fraud, dishonesty, breach of obligations or knowing material misstatement of financial statements by an employee of the Group other than the Participant and, in the opinion of the Board, the Share Right would not otherwise have vested, the Board may determine that the Share Rights have not vested and may, subject to applicable laws, determine any treatment in relation to the Share Right (including resetting Conditions, deeming Shares to be forfeited and/or new Share Rights be granted) to ensure that no unfair benefit is obtained by a Participant as a result of the actions of another person.

## 7 Reorganisations and business divestments

### 7.1 Capital reorganisation

If:

- (a) Shares are issued pro rata to the Company's shareholders generally by way of a bonus issue;
- (b) Shares are offered to the Company's shareholders by way of a rights issue; or
- (c) any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company is effected,

then:

- (d) the number of Share Rights to which each Participant is entitled or any amount payable on vesting of the Share Rights, or both, will be adjusted in the manner determined by the Board in order to minimise or eliminate any material advantage or disadvantage to the Participant. If new Share Rights are granted, such Share Rights will, unless the Board determines otherwise, be subject to the same terms and conditions as the original Share Rights, including without limitation, any Condition.

### 7.2 Divestment of material business or subsidiary

- (a) Where the Company divests a business designated by the Board for this purpose as 'material', the Board may make special rules that apply to Participants in relation to the Share Rights or Shares held pursuant to the Plan (and any other entitlements or shares that may arise in relation to those Shares). Without limiting the Board's discretion, such rules may include:
  - (i) varying the Conditions applying to the Participant's Share Rights to take into account the divestment of the business (if applicable); and
  - (ii) deeming the Participant to remain a Group employee for a specific period.
- (b) In order to bind a Participant, any special rules made under this rule 7.2 must be notified to a Participant pursuant to rule 9.4.

## 8 Change of control [TBC]

### 8.1 Takeover bid or scheme of arrangement

- (a) If an Event occurs prior to the vesting of a Share Right, then the Board may, in its absolute discretion, determine whether:
  - (i) some or all unvested Share Rights vest or lapse (whether subject to conditions or not); or
  - (ii) some or all of the unvested Share Rights remain subject to the applicable Conditions (or substitute Conditions),

having regard to any matter the Board considers relevant, including, without limitation, the circumstances of the Event, the extent to which the applicable Conditions have been satisfied and/or the proportion of the Period that has elapsed at that time.

- (b) An **Event** occurs where:
  - (i) a Takeover Bid is made for the Company and the Board resolves to recommend the bid; or

- (ii) a Takeover Bid is made for the Company and the bid is declared unconditional at a time prior to the bidder being entitled to 50% of the issued shares in the Company; or
- (iii) a court convenes a meeting of shareholders to be held to vote on a proposed scheme of arrangement pursuant to which control of the majority of the shares in the Company may change; or
- (iv) any transaction or event is proposed that, in the opinion of the Board, may result in a person becoming entitled to exercise control over the Company.

## **8.2 Acquisition of shares in another Company**

If a company (**Acquiring Company**) obtains control of the Company and the Company, the Acquiring Company and the Participant agree, a Participant may be provided with securities in the Acquiring Company or its parent or its subsidiary in substitution for Share Rights, on substantially the same terms and subject to substantially the same conditions as the Share Rights, but with appropriate adjustments to the number and kind of securities the subject of the Share Rights.

## **8.3 Notification of vesting**

The Board will give written notice to each Participant of the extent to which Share Rights vest pursuant to this rule 8.

# **9 Administration of Plan**

## **9.1 Amendment of the Rules**

- (a) The Board may, at any time, amend, add to, vary, omit from or substitute any of these Rules, notwithstanding the terms of the Plan, provided that such amendment may not materially reduce or otherwise prejudicially affect the rights attaching to Share Rights or Shares granted or allocated (as applicable) pursuant to, and still subject to, the Plan, other than an amendment introduced primarily:
  - (i) for the purpose of complying with or conforming to present or future State or Commonwealth legislation;
  - (ii) to correct any manifest error or mistake; or
  - (iii) to take into consideration possible adverse tax implications for the Company or Participants arising from, amongst others, adverse rulings from the Commissioner of Taxation, changes to tax legislation (including an official announcement by the Commonwealth of Australia) and/or changes in the interpretation of tax legislation by a court or tribunal of competent jurisdiction.
- (b) As soon as reasonably practicable after making any amendment under this rule 9.1, the Company must provide written notification to any Participant who is affected by the amendment.

## **9.2 Board powers**

The Board has absolute and unfettered discretion in exercising any power or discretion concerning the Plan and may:

- (a) delegate to any person for the period and on the terms it decides, the exercise of any of its powers or discretions under the Plan;

- (b) decide on appropriate procedures for administering the Plan consistent with these Rules, including the application forms and any other forms and notices to be issued under the Plan;
- (c) resolve conclusively all questions of fact or interpretation concerning the Plan and these Rules and any dispute of any kind that arises under the Plan;
- (d) waive any provision of the Plan (including this rule 9.2), or any term or condition (including a Condition or other restriction) relating to the Share Rights or Shares;
- (e) determine to suspend or cease operation of the Plan at any time and take any actions required to effect the winding up of the Plan;
- (f) act or refrain from acting at its discretion under these Rules or concerning the Plan or the Share Rights or Shares held under the Plan; and
- (g) waive any breach of a provision of the Plan.

### **9.3 Costs**

The Group may make any withholding or payment it is required by law to make in connection with the Share Rights or Shares.

### **9.4 Notices**

- (a) A notice or other communication under or concerning the Plan is validly given:
  - (i) by the Company to an Eligible Employee or Participant (as the case may be), if delivered physically or electronically to the addressee or sent by prepaid post to his or her last known residential address, or sent to him or her physically or by email at his or her place of work or posted on an internet or intranet site maintained by or for the Company and accessible by the Eligible Employee or Participant (as the case may be); and
  - (ii) by an Eligible Employee or Participant (as the case may be) to the Company if delivered or sent by prepaid post addressed to the company secretary at the Company's registered office (unless the Board specifies another address for a particular purpose).
- (b) A notice or other communication sent:
  - (i) to the Company must be actually received by the Company by the date or within the period specified in these Rules or pursuant to rule 2.2 of the Plan in order to be effective; and
  - (ii) by the Company to an Eligible Employee or Participant (as the case may be) will be treated as being received immediately following the time it was sent or, where it is sent by post, it will be treated as received 48 hours after it was posted.

### **9.5 Terms of employment not affected**

- (a) The rights and obligations of an Eligible Employee under the terms of his or her office, employment or contract with the Group are not affected by his or her participation in the Plan.
- (b) Participation in the Plan will only be offered to an Eligible Employee at the discretion of the Board. There is no guarantee of future offers being made under the Plan.
- (c) These Rules do not form part of, and will not be incorporated into, any contract of an Eligible Employee.



## **9.6 Non-residents of Australia**

- (a) The Board may at any time, amend, add to, vary, omit from or substitute any of these Rules to ensure compliance with the requirements of, or impact of, any law or regulation in any jurisdiction outside of Australia. This rule 9.6 applies notwithstanding anything in this Plan.
- (b) This rule 9.6 applies in relation to any Participant who holds Share Rights or Shares under the Plan from time to time and who is resident or may become resident in any jurisdiction outside Australia.
- (c) Any different rules that may apply must be notified to each affected Participant in writing.
- (d) For the purposes of clarification, any different rules that are adopted under rule 9.6(a) may have an adverse impact upon the Participant. However, any different rules that may apply must comply, to the extent legal and practicable, with the basic principles of the Plan.

## **9.7 Personal information**

The Participant consents to the Company or its agents (and each of their related parties) collecting, holding and using personal information (including a Participant's tax file number) that the Participant provides in the application to participate in the Plan or otherwise provides to the Company or its agents (and each of their related parties) as part of their employment, in order to carry out the administration and operation of the Plan in accordance with the Plan Rules, including providing relevant information to:

- (a) the Plan manager or another entity that manages or administers the Plan on behalf of the Company;
- (b) any broker or external service provider, including a tax or financial adviser;
- (c) the trustee of any employee trust;
- (d) any Government department or body; and
- (e) any other person or body as required or authorised by law.

## **9.8 Miscellaneous**

- (a) The Participant does not have any rights under this Plan to compensation or damages in consequence of the exercise by the Company of any right, power or discretion which results in the Participant ceasing to have title to the Share Rights or Shares.
- (b) Except as otherwise expressly provided in these Rules, the Board has absolute and unfettered discretion to act or refrain from acting under or in connection with the terms of the Plan and in the exercise of any power or discretion under these Rules.

## **9.9 Limitation on the Plan**

No Share may be allocated to a Participant under this Plan if, immediately after the allocation of those Shares, the Participant:

- (a) would hold a legal or beneficial interest in more than 5% of the Shares; or
- (b) would be in a position to cast, or control the casting of, more than 5% of the maximum number of votes that might be cast at a general meeting of the Company.

## 9.10 Governing Law

The rules and conditions of this Plan are governed by the laws of New South Wales and the Commonwealth of Australia.

## 10 Definitions and Interpretation

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### 10.1 Definitions

In this Plan:

**ASX** means the Australian Securities Exchange;

**ASX Listing Rules** means the official listing rules of ASX;

**Board** means the directors of the Company or a committee of the Board or a delegate appointed by the Board or a committee for the purposes of the Plan;

**Company** means Mortgage Choice Limited ABN 57 009 161 979;

**Conditions** means one or more performance or service related conditions which must be satisfied before a Share Right vests, as determined by the Board;

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

**Eligible Employee** means an employee of the Group or another person determined by the Board as eligible to participate in the Plan;

**Group** means the Company, any Subsidiary and any other entity declared by the Board to be a member of the group for the purposes of the Plan and **Group Company** means any one of them;

**Participant** means an Eligible Employee who is granted a Share Right under the Plan;

**Period** means the period or periods over which the Conditions are measured as specified by the Board for the purposes of each Award;

**Plan** means the Share Rights Plan;

**Qualifying Reason** means:

- (a) the death, total and permanent disablement, retirement or redundancy of the Participant as determined by the Board in its absolute discretion; or
- (b) any other reason with the approval of the Board.

**Rules** means the rules of the Plan, as amended from time to time;

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

**Share Right** means a right to a Share (or fraction of a Share) that is subject to the Conditions determined by the Board, calculated on the basis set out in the terms and conditions of the offer (which may include a formula for calculating the relevant number of Shares);

**Subsidiary** has the meaning given to it in section 9 of the Corporations Act; and

**Takeover Bid** has the meaning given in section 9 of the Corporations Act.

## 10.2 Interpretation

In these Rules:

- (a) headings and boldings are for convenience only and do not affect the interpretation of these Rules and, unless the context requires otherwise;
- (b) words importing the singular include the plural and vice versa;
- (c) words importing a gender include any gender;
- (d) the word 'includes' in any form is not a word of limitation;
- (e) other parts of speech and grammatical forms of a word or phrase defined in these Rules have a corresponding meaning; and
- (f) any reference in the Plan to any enactment or the ASX Listing Rules is a reference to that enactment or those ASX Listing Rules (and to all regulations or instruments issued under them) in force at the time that an invitation or grant (as the case may be) is made under the Plan unless expressed to the contrary in the Rules determined otherwise by the Board pursuant to rule 9.2, or required at law.