

CLAYTON UTZ

Healthia Limited
ACN 626 087 223

Employee Performance Rights Plan - Rules

Clayton Utz Lawyers
Levels 28, Riparian Plaza, 71 Eagle Street Brisbane QLD 4000 Australia
GPO Box 55 Brisbane QLD 4001
T + 61 7 3292 7000 F + 61 7 3221 9669

www.claytonutz.com

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Healthia Employee Performance Rights Plan

PLAN RULES

1. Definitions and interpretation

1.1 Definitions:

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

"**ASIC**" means the Australian Securities and Investments Commission.

"**Associated Group Company**" means:

- (a) a body corporate that is a Related Body Corporate of the Company;
- (b) a body corporate that has voting power in the Company of not less than 20%; or
- (c) a body corporate in which the Company has voting power of not less than 20%.

"**ASX**" means ASX Limited ABN 98 008 624 691 of the financial market operated by it (as the context requires).

"**Board**" means all or some of the Directors acting as a board or a committee of the Board appointed for, of the functions of which are determined to include, the purposes of the Plan or these Rules.

"**Business Day**" means a day which is not a Saturday, Sunday or public holiday in Queensland or any other day that ASX declares is not a business day.

"**Change of Control**" means when in relation to the Company any person, either alone or together with any associate (as defined in the Corporations Act) acquires a Relevant Interest in more than 50% of the issued Shares in the Company, or any event which the Board determines, in its discretion, is a Change of Control.

"**Change of Control Notice Period**" has the meaning given in Rule 5.1(b).

"**Company**" means Healthia Limited ACN 626 087 223.

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

"**Director**" means a director of a member of the Group.

"**Eligible Participant**" means such:

- (a) full time or part time employees (including executive directors);
- (b) non-executive directors;
- (c) contractors or casual employees who work a pro-rata equivalent of 40% or more of a comparable full time position; or
- (d) persons to who an offer to participate in the Plan will be made, conditional on the person becoming covered by one of paragraphs (a) to (c) above,

of the Company or an Associated Group Company as the Board, in its discretion, determines.

"Exercise Period" means the period during which the Vested Performance Rights may be exercised as determined by the Board in its discretion and notified to a Participant at the Time of Grant.

"Exercise Price" means the amount (which may be nil) that must be paid by a Participant to acquire a Share by the exercise of a Performance Right, as determined by the Board in its discretion and notified to a Participant at the Time of Grant.

"Group" means the Company and its Associated Group Companies.

"Listing Rules" means the official listing rules of ASX, as amended or replaced from time to time, except to the extent of any express written waiver by ASX in their application to the Company.

"Nominee" has the meaning given in Rule 3.3.

"Notice of Exercise" means a duly completed and signed notice of exercise of a Performance Right by a Participant as referred to in Rule 4.1(b), in the form approved by the Board from time to time.

"Offer" means an offer made to an Eligible Participant to subscribe for one or more Performance Rights under the Plan.

"Participant" means an Eligible Participant or Nominee to whom Performance Rights have been granted under the Plan.

"Performance Right" means an option granted pursuant to these Rules to subscribe for one Share upon and subject to the terms of these Rules and the terms of the Offer.

"Plan" means the Healthia Employee Performance Rights Plan established in accordance with these Rules.

"Product Disclosure Statement" has the meaning given to that term in Chapter 7 of the *Corporations Act*.

"Related Body Corporate" has the meaning given to that term in section 50 of the *Corporations Act*.

"Relevant Interest" has the meaning given to that term in section 608 of the *Corporations Act*.

"Rules" means the rules of the Plan set out in this document.

"Share" means a fully paid ordinary share in the capital of the Company.

"Superannuation Fund" means a registered complying superannuation fund as that term is understood in the Superannuation Industry (Supervision) Act 1993 (Cth).

"Tax" means income tax or employment taxes under any wage withholding or other arrangements for tax, levy or charge of a similar nature.

"Time of Grant" means the time of grant of a Performance Right under Rule 3.

"Unvested Performance Rights" means Performance Rights other than Vested Performance Rights.

"Vested Performance Rights" means Performance Rights which have no Vesting Conditions attached or in respect of which all Vesting Conditions attached to the Performance Rights have been satisfied or waived by the Company.

"Vesting Conditions" means one or more conditions, including time or performance conditions, as determined by the Board in its discretion and notified to the Participant at the Time of Grant.

"Vesting Period" means the period referred to at the Time of Grant during which the Vesting Conditions must be satisfied, or waived by the Company at its discretion.

1.2 Interpretation

In these Rules (unless the context otherwise requires),

(a) headings are for convenience only and do not affect interpretation;

and unless the context indicates a contrary intention:

- (b) the expression "**person**" includes an individual, the estate of an individual, a corporation, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (c) a reference to any party includes that party's executors, administrators, successors and permitted assigns, including any person taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;
- (d) a reference to any document (including these Rules) is to that document as varied, novated, ratified or replaced from time to time;
- (e) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;
- (f) words importing the singular include the plural (and vice versa), and words indicating a gender include every other gender;
- (g) references to parties, rules, schedules, exhibits or annexures are references to parties, rules, schedules, exhibits and annexures to or of these Rules, and a reference to these Rules includes any schedule, exhibit or annexure to these Rules;
- (h) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (i) the word "includes" in any form is not a word of limitation; and
- (j) a reference to "\$" or "dollar" is to Australian currency.

2. Commencement of the Plan

The Plan will commence on the date determined by the Board.

3. Performance Rights

3.1 Grant of Performance Rights

- (a) The Board may from time to time at its discretion, grant Performance Rights to Eligible Participants under the Plan.
- (b) The Board will determine the procedure for granting Performance Rights, including the form and content of any grant, invitation, offer or acceptance procedure, which may be on an opt-out basis.
- (c) A grant may be in such form and content and be made with such terms and conditions as the Board determines, including as to:
 - (i) Vesting Conditions (if any) and the applicable Vesting Period(s);
 - (ii) whether the Performance Rights are required to be exercised in accordance with Rule 4.1 or whether the Shares will be delivered automatically on vesting of the Performance Rights in accordance with Rule 4.2;
 - (iii) Exercise Price (if any);
 - (iv) Exercise Period (if any); and
 - (v) any restrictions on the method of delivery of the Shares to be delivered in respect of a Performance Right, such as the Shares must be acquired on market.
- (d) A grant of Performance Rights, does not confer any right or interest, whether legal or equitable, in Shares until:
 - (i) all Vesting Conditions in respect of such Performance Rights have been satisfied or waived in accordance with the terms of this Plan or by the Company at its discretion; and
 - (ii) where required, the Vested Performance Rights have been validly exercised in accordance with this Plan.
- (e) The rights of a Participant under a Performance Right are purely personal and contractual.
- (f) No application will be made to ASX for official quotation of any Performance Rights.

3.2 5% ASIC cap

- (a) Unless the Board determines otherwise, the Company will not make an Offer if, at the time of that Offer, the Company has reasonable grounds to believe that the total number of Shares that have been or may be issued in any of the following circumstances would exceed 5% of the number of Shares on issue:
 - (i) the number of Shares that may be issued under the Offer; and
 - (ii) the number of Shares issued or that may be issued, as a result of offers made at any time during the previous 3 years pursuant to

the Plan or any other employee share scheme of the Company.

- (b) For the purposes of the calculation in Rule 3.2(a), the Company will disregard any offer made, or option acquired or Share issued by way of or as a result of:
- (i) an offer to a person situated at the time of receipt of the offer outside Australia; or
 - (ii) an offer that did not need disclosure to investors because of section 708 of the Corporations Act or was an excluded offer or offer or invitation under the Corporations law; or
 - (iii) an offer that did not require the giving of a Product Disclosure Statement because of section 1012D of the Corporations Act; or
 - (iv) an offer made under a disclosure document (as defined in section 9 of the Corporations Act) or Product Disclosure Statement.

3.3 Nominee

- (a) Upon receipt of an Offer, an Eligible Participant may, by notice in writing to the Board, nominate
- (i) an immediate family member of that Eligible Participant; or
 - (ii) a company whose members comprise no persons other than the Eligible Participant or immediate family members of that Eligible Participant; or
 - (iii) a corporate trustee of a self-managed superannuation fund (within the meaning of the *Superannuation Industry (Supervision) Act 1993*) where the Eligible Participant is a director of the trustee,
- (Nominee)** in whose favour the Eligible Participant wishes to renounce the Offer.
- (b) The Board may, in its discretion, resolve not to allow a renunciation of an Offer in favour of a Nominee without giving any reason for that decision.
- (c) If the Board resolves to allow a renunciation of an Offer in favour of a Nominee, the Eligible Participant will procure that the permitted Nominee accepts the Offer made to the Eligible Participant and that both the Eligible Participant and the Nominee agree to be bound by these Rules.

4. Terms

4.1 Exercise of Vested Performance Rights

Where a grant of Performance Rights requires the Performance Rights to be exercised by the Participant:

- (a) a Participant may exercise Vested Performance Rights which have not expired under Rule 4.5;
- (b) Vested Performance Rights may be exercised by the Participant lodging with the Company a Notice of Exercise and paying the aggregate Exercise

Price (if any) as directed by the Company within the Exercise Period and complying with such other requirements as are specified at the Time of the Grant or subsequently by the Board; and

- (c) if a Participant validly exercises Performance Rights, the Company will deliver the Shares in respect of which those Performance Rights have been exercised to the Participant and may, at the Company's discretion, make such delivery by issuing new Shares or procuring a transfer of Shares.

4.2 Delivery of Shares on vesting of Performance Rights

Where a grant of Performance Rights requires Shares to be automatically delivered on vesting of the Performance Rights:

- (a) the Company will give notice to the Participant as to the number of Shares to be delivered in respect of the Vested Performance Rights as soon as practicable after the Performance Rights have become Vested Performance Rights; and
- (b) within 60 days after the Performance Rights have become Vested Performance Rights, the Company will deliver the Shares in respect of the Vested Performance Rights to the Participant and may, at the Company's discretion, make such delivery by issuing new Shares or procuring a transfer of Shares.

4.3 Shares to rank pari passu

All Shares issued, transferred or allocated on the vesting or exercise of a Participant's Performance Rights (as the context requires) will rank pari passu in all respects with the Company's then existing ordinary fully paid shares. The Company will apply for official quotation by ASX of all Shares issued on vesting or exercise of the Performance Rights.

4.4 Transfers or encumbrances

Without the prior approval of the Board, Performance Rights may not be transferred, encumbered or otherwise dealt with.

4.5 Expiry of Performance Rights

Unless otherwise determined by the Board at its discretion, Performance Rights will expire and cease to exist if they:

- (a) have Vesting Conditions attached and are not Vested Performance Rights by the end of the applicable Vesting Period;
- (b) are not Vested Performance Rights and the Participant ceases to be employed by the Group, except to the extent (if any) that the terms and conditions specified at the Time of Grant provide that all or some of those Performance Rights will not expire on cessation of employment in particular circumstances;
- (c) are Vested Performance Rights which are required to be exercised and are not exercised (as relevant):
 - (i) in accordance with clause 4.1 within the Exercise Period; or

- (ii) in accordance with clause 5.1(b) within the Change of Control Notice Period;
- (d) are the subject of a purported transfer or encumbrance by the Participant without the Board's consent; or
- (e) otherwise expire under terms and conditions specified at the Time of Grant.

4.6 No rights to expired Performance Rights

A Participant has no rights in respect of any expired Performance Right and releases and shall hold harmless and indemnify the Group, each Director and the Board from and against any claim or liability in respect of expired Performance Rights and from any claim that might otherwise arise from the expiry of a Performance Right.

4.7 Participation in future issues

(a) Participation Generally

Being a Participant does not entitle a person to participate in new issues of Shares or other securities to holders of Shares unless, before the record date for determining entitlements to the new issue, the Shares in respect of the Performance Rights held by the Participant have been issued or transferred to, and registered in the name of, the Participant.

(b) Bonus Issues

If the Company makes a pro rata bonus issue of Shares to holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and Shares in respect of Performance Rights held by a Participant have not been issued or transferred to, and registered in the name of, the Participant before the record date for determining entitlements to the bonus issue, then the number of Shares subject of the Performance Rights held by the Participant must be increased by the number of Shares that the Participant would have received if the Shares subject of the Performance Rights had been registered in the name of the Participant before the record date for the bonus issue.

(c) Rights Issues

If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) if there is no Exercise Price for the Performance Rights, the number of Performance Rights (or other terms and conditions applicable to the Performance Rights) held by a Participant may be adjusted in such manner as the Board in its discretion determines. Such adjustment, if any, is subject to the Listing Rules, the Corporations Act and any other applicable law; and
- (ii) if an Exercise Price is payable in respect of Performance Rights, the Exercise Price must be changed in the manner specified in the Listing Rules applicable to options at the time of the pro rata issue.

4.8 Reorganisation

If there is a reorganisation of the issued ordinary share capital of the Company, the number of Shares to be delivered in respect of each Performance Right, or the Exercise Price (if any) payable by a Participant in respect of Shares to be delivered to a Participant, will be reorganised in the manner specified in the Listing Rules applicable to options at the time of the reorganisation.

5. Change of Control

5.1 Vesting and notification to Participants

Where a proposal (whether by takeover bid, scheme of arrangement or otherwise) is publicly announced in relation to the Company which the Board reasonably believes is likely to lead to a Change of Control occurring:

- (a) any Vesting Conditions that apply to Performance Rights which are not Vested Performance Rights (and which have not otherwise expired under Rule 4.5) which have not been satisfied or waived will be waived;
- (b) the Board shall promptly notify each Participant in writing that within the period specified in the notice (**Change of Control Notice Period**):
 - (i) the Participant may exercise the Vested Performance Rights by lodging with the Company a Notice of Exercise and paying the aggregate Exercise Price (if any) within the Change of Control Notice Period; or
 - (ii) that Shares in respect of those Performance Rights will automatically be delivered to the Participant at the end of the Change of Control Notice Period.

5.2 Expiry of Performance Rights

Unless the Board determines otherwise, Vested Performance Rights which need to be exercised by the Participant under Rule 5.1(b)(i) which are not exercised by the end of the Change of Control Notice Period shall expire at the end of the Change of Control Notice Period.

6. Plan costs

6.1 Acquisition costs

The Company will pay all costs and expenses in relation to the establishment and operation of the Plan including all costs and expenses in relation to an issue, or purchase and transfer of Shares to a Participant (including any brokerage, commission, stamp duty or other transaction costs).

6.2 Disposal costs

Any brokerage, commission, stamp duty or other transaction costs in connection with the disposal of a Participant's Shares acquired under the Plan will be paid for by the Participant.

6.3 Liability for Tax

If any Group Company is liable to pay or account to any tax authority for any Tax as a result of an Performance Right vesting or being exercised, the Company may, at its

election, require the Participant to reimburse the Group Company for the amounts paid to the tax authority. If the Company elects to require reimbursement, the Company is not obliged to transfer Shares to the Participant unless the Company is satisfied that arrangements have been made for reimbursement. Those arrangements may include the sale of Shares acquired on exercise of the Performance Right.

7. Administration of the Plan

- (a) The Plan will be administered by the Board in accordance with these Rules. The Board may make rules and regulations for the operation of the Plan which are consistent with these Rules.
- (b) Any power or direction which is conferred on the Board by these Rules or a grant of Performance Rights may be exercised by the Board at its absolute discretion and in the interests or for the benefit of the Company, and the Board is not, in exercising any such power or discretion, under any fiduciary or other obligation to any other person.
- (c) Any power or discretion which is conferred on the Board by these Rules or a grant of Performance Rights may be delegated by the Board for such period and upon such conditions as the Board may determine to:
 - (i) a committee of the Board; or
 - (ii) any one or more persons selected by the Board.
- (d) Every exercise of a power or discretion by the Board (or its delegate) and every decision of the Board (or its delegate) as to the interpretation, effect or application of these Rules or a grant of Performance Rights is final, conclusive, and binding.

8. Termination, Suspension or Reinstatement of the Plan

The Board may resolve at any time to terminate, suspend or reinstate the operation of the Plan.

9. Rights of Participants

Nothing in these Rules confers on an Eligible Participant the right to be granted Performance Rights and nothing in these Rules or a grant of Performance Rights:

- (a) confers on a Participant the right to continue as an employee of the Group;
- (b) affects any rights which any member of the Group may have to terminate the employment of any employee; or
- (c) may be used to increase damages in any action brought against any member of the Group in respect of any such termination.

10. Amendment of these Rules

10.1 Amendments

Subject to the Listing Rules and Rule 10.2, 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 10) or any grant of Performance Rights.

10.2 No Reduction of Rights

No amendment of the provisions of these Rules or a grant of Performance Rights is to reduce the rights of any Participant in respect of Performance Rights granted under the Plan to or on behalf of a Participant before the date of the amendment, other than an amendment agreed in writing by a Participant or introduced primarily:

- (a) for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or like plans;
- (b) to correct any manifest error or mistake;
- (c) to enable a member of the Group to comply with the Corporations Act, the Listing Rules, or any other Australian laws, applicable foreign law, or a requirement, policy or practice of ASIC or other foreign or Australian regulatory body;
- (d) to take into consideration possible adverse tax implications in respect of the Plan arising from, amongst other things:
 - (i) adverse rulings from the Commissioner of Taxation;
 - (ii) changes to tax legislation (including an official announcement by the Commonwealth of Australia); or
 - (iii) changes in the interpretation of tax legislation by a court or tribunal of competent jurisdiction.

10.3 Retrospectivity

Subject to Rules 10.1 and 10.2, any amendment made pursuant to Rule 10 may be given such retrospective effect as is specified in the written instrument or resolution by which the amendment is made.

11. Attorney

Each Participant, in consideration of a grant of Performance Rights, is deemed to:

- (a) irrevocably appoint the Company, each Director and any person nominated from time to time by the Company (each an "attorney"), severally, as the Participant's attorney to complete and execute any documents including applications for Shares and Share transfers or any document or other agreement to give effect to these Rules and any grant of Performance Rights and to do all acts or things on behalf of and in the name of the Participant which may be convenient or necessary for the purpose of giving effect to the provisions of these Rules or any grant of Performance Rights; and
- (b) covenants that the Participant will ratify and confirm any act or thing done pursuant to this power and releases each member of the Group, each Director and the attorney from any liability whatsoever arising from the exercise of the powers conferred by this Rule and indemnifies and holds harmless each member of the Group, each Director and the attorney in respect of the exercise of those powers.

12. ASIC relief

Notwithstanding any other provisions of the Plan, every covenant or other provisions set out in an exemption or modification granted from time to time by ASIC in respect of the Plan pursuant to its power to exempt and modify the Corporations Act and required to be included in the Plan in order for that exemption or modification to have full effect, is deemed to be contained in the Plan. To the extent that any covenant or other provision deemed by this Rule to be contained in the Plan is inconsistent with any other provision in the Plan, the deemed covenant or other provision shall prevail.

13. Notices

Any notice to Participants may be given in such manner as the Board determines from time to time.

14. Governing Law

This Plan is governed by and shall be construed and take effect in accordance with the laws of Queensland.