
**AUTOMOTIVE SOLUTIONS GROUP LTD ACN
613 474 089**

EMPLOYEE LIMITED RECOURSE LOAN PLAN - OFFER



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To:	Automotive Solutions Group Ltd (' Company ')
Name of Employee:	[insert]
Address:	[insert]

1. YOUR **[2016]** OFFER

Automotive Solutions Group Ltd ('**Company**') invites you to participate in the **[2016]** long term incentive grant ('**Offer**'). If you participate in the Offer, you will be provided with a limited recourse loan ('**Loan**'), which will be used to fund the acquisition of fully paid ordinary shares in the Company ('**Loan Shares**') under the Automotive Solutions Group Limited Employee Limited Recourse Loan Plan ('**Plan**') and on the terms outlined below.

These Loan Shares will constitute the long term incentive component of your remuneration for the period from the Company's initial listing and quotation of the Company's fully paid ordinary shares ('**Shares**') on the Australian Securities Exchange ('**ASX**') to **[30 June 2017]**. Any future offers under the Plan will be made at the Board's discretion.

Please note that this grant is subject to shareholder approval, or ASX approval or a waiver of the requirement to obtain shareholder approval being granted.

2. HOW TO PARTICIPATE IN THE OFFER

If you wish to **accept** the Offer, you must complete and sign the accompanying Acceptance Form, Loan Facility and return each of these documents to the Company Secretary by 5.00pm on **[insert date]**. However, you should read this Offer and the rules of the Plan ('**Plan Rules**') carefully. Together these documents set out all of the terms of the Offer. For your reference, a copy of the Plan Rules is **attached** to this Offer.

If you **do not** wish to participate in the Offer, you do not need to do anything.

By allowing the Company to grant the Loan to you in order to acquire Loan Shares under this Offer, you are deemed to have:

- agreed to be bound by the Plan Rules (as applicable and as varied from time to time pursuant to the terms of the Plan) and the additional terms of this Offer;
- agreed to be bound by the Company's Constitution in relation to any Shares allocated to you under the Plan;
- agreed to the personal information that you have provided to the Company being used for the purposes of administering the Plan, including the disclosure of such information to any trustee or plan administrator;
- irrevocably appointed the Company Secretary as your attorney in accordance with the Plan Rules (which includes to do anything necessary to effect the forfeiture of Loan Shares in accordance with the Plan Rules);
- acknowledged that the rights you have in relation to the Loan Shares acquired under the Loan Plan are limited to those conferred on you pursuant to the terms of this Offer and the Plan Rules; and

- acknowledged that, unless your employment contract expressly contemplates otherwise, the terms of this Offer do not form part of your employment contract and participation in this Offer does not give you any entitlement to participate in future year offers.

3. TERMS OF THE OFFER

This Offer is made on the terms set out in this Offer and the Plan Rules. A copy of the full Plan Rules is enclosed with this Offer.

Capitalised terms used in this Offer have the same meaning as in the Plan Rules, unless otherwise indicated.

In the event of any inconsistency between the Plan Rules and this Offer, the terms outlined in this Offer prevail.

3.1 Grant of Loan and acquisition of Loan Shares

If an Acceptance Form is received by 5:00pm (Queensland Time) on [insert date], the Company will, subject to the conditions set out below, grant you the Loan. Interest will not be charged on the Loan. For the purposes of this Offer, the limited recourse loan will be used to acquire Loan Shares at a subscription price equal to [\$1.00] per share, subject to the conditions outlined in this Offer.

You will be granted a limited recourse loan of \$[insert] in order to acquire [insert] Loan Shares. The total amount of the Loan is the number of the Loan Shares multiplied by the Acquisition Price.

Loan Shares may only be granted in your name and are not transferrable until the Loan is fully repaid.

Shortly after the Loan Shares are granted to you, you will be sent a holding statement confirming the details of the Loan Shares that you have been granted.

3.2 Vesting Period

Your award under this Offer will be subject to Vesting Conditions (as outlined below), which will be tested based on performance over a period of approximately [five years], commencing on the date of the Company's initial listing and quotation of Shares on the ASX and ending on [30 June 2022] ('Vesting Period').

These dates may change, however you will be given advance notice of any change.

3.3 Vesting Conditions

Loan Shares will vest subject to the satisfaction of performance conditions set by the Board.

Loan Shares subject to a performance condition based on the Total Shareholder Return ('TSR') of the Company, relative to the TSR of the companies in the S&P/ASX Emerging Companies Index, for the duration of the performance period.

Percentage of the Loan Shares that vest, if any, will be determined upon completion of the performance period, as follows:

Company's TSR over performance period, relative to companies in the S&P/ASX Emerging Companies Index, for the duration of the performance period.	Percentage of Loan Shares that vest

Less than median of comparator group	Nil
At median of comparator group	50%
Between median and 75th percentile of comparator group	Straight line pro rata vesting between 50% and 100%
Greater than 75th percentile of comparator group	100%

Testing the Vesting Conditions

Testing will first occur shortly after the end of the Vesting Period, and the number of Loan Shares that vest (if any) will be determined.

Any Loan Shares that remain unvested will be forfeited immediately. If all of the Loan Shares acquired under this Offer are forfeited, the forfeiture of the Loan Shares will be in full satisfaction of the outstanding Loan balance. Where only some of the Loan Shares are forfeited, a pro rata amount of the outstanding Loan balance (by reference to the proportion of Loan Shares that are forfeited) will be taken to be satisfied.

Where any Loan Shares are forfeited as a result of failure to meet the Vesting Conditions, the Company has the discretion to sell the forfeited Loan Shares to repay the outstanding Loan balance in respect of those Loan Shares, however you will not be entitled to receive any surplus net proceeds of the sale of forfeited Loan Shares.

3.4 Dividends and voting entitlement

You will be entitled to dividends and other distributions, and to exercise voting rights, in respect of your Loan Shares.

However, until the Loan is repaid in full or otherwise fully satisfied, dividends, distributions and other amounts determined by the Board, that are received in respect of your Loan Shares will be applied to the Loan in order to reduce the outstanding Loan balance. You will be entitled to receive a portion of the dividend or other amount in order to satisfy an estimate of your net tax liability in relation to these amounts (i.e. the amounts used to reduce the outstanding Loan balance will be net of estimated taxes).

For the purposes of rule 3.4(b) of the Plan Rules, the Company has determined that your tax liability in relation to dividends, distributions and other amounts will be the top marginal tax rate.

Please see rules 3.3 and 3.4 of the Plan Rules for further details.

3.5 Loan term and repayment of the Loan

The Loan will have a term of seven (7) years from the date the Loan is granted and the outstanding balance will be immediately repayable on the day before the seventh (7th) anniversary of the grant date, unless you cease employment prior to this date, in which case you will be required to repay the outstanding balance within six (6) months of your cessation date (see below for further details).

If you do not repay the Loan by the relevant repayment date, you will forfeit the Loan Shares. Please see rules 3.5 and 3.6 of the Plan Rules for further details.

3.6 Forfeiture of Loan Shares

The Plan Rules deal with circumstances in which your Loan Shares may be forfeited. In summary, your Loan Shares may be forfeited:

- to the extent that the Vesting Conditions outlined in this Offer are not satisfied;
- upon cessation of your employment (as set out in section 3.7 of this Offer);
- to prevent you from becoming entitled to any inappropriate benefits (as summarised in section 3.8 of this Offer);
- in connection with a change of control event (as set out in section 3.9 of this Offer);
- if you contravene the Dealing restrictions outlined in section 4 of this Offer;
- if you notify the Company in writing that you elect to surrender your Loan Shares; or
- if you do not repay the Loan in accordance with this Offer and the Plan Rules.

3.7 Cessation of employment

(a) Termination for cause

Where your employment with the Group is terminated because you:

- (i) engage in serious or wilful misconduct;
- (ii) are seriously negligent in the performance of your duties;
- (iii) commit a serious breach of your employment contract;
- (iv) commit an act, whether at work or otherwise, which brings the Company or a Group company into disrepute; or
- (v) are convicted of an offence punishable by imprisonment,

(termination for cause), all of your unvested Loan Shares will be forfeited, unless the Board determines otherwise. Your Loan Shares will be forfeited in full satisfaction of the Loan.

(b) Resignation or termination by mutual agreement

Where you resign or your employment is terminated from the company, all of your Loan Shares will be forfeited immediately and returned to the Company (or a party designated by the Company) in full satisfaction of the Loan, unless the Board determines otherwise.

(c) Cessation for other reasons

Where your employment ceases due to death, disability or retirement, the Loan Shares will remain on foot and subject to the original performance conditions, subject to the discretion of the Board to vest some or all of the Loan Shares based on the portion of the performance period that has elapsed and performance during the period.

(d) Vested Loan Shares prior to repayment of the Loan

If you cease employment in circumstances where you have vested Loan Shares and the associated Loan has not been repaid:

- (i) in the case of termination for cause, a number of your Loan Shares (by reference to the portion of the Loan balance that remains unpaid) will be forfeited in order to satisfy the outstanding Loan balance; and
- (ii) in all other circumstances, the Loan must be repaid within six (6) months of the date your employment ceases. If you do not repay the Loan within this time, the Board has the discretion set out in Rule 3.6 of the Plan Rules.

3.8 Preventing inappropriate benefits

The Plan Rules contain forfeiture and clawback provisions. A summary of these provisions is set out below.

If:

- you act fraudulently or dishonestly;
- you have engaged in gross misconduct;
- you act in a manner which brings the Company, the Group or any company within the Group into disrepute; or
- you are in breach of your obligations to the Group;
- you are convicted or have judgment entered against you in connection with the Group's affairs;
- there is a material misstatement or omission in the accounts of a Group company or there are events, which the Board considers may, or are likely to, affect the Group's financial soundness or require re-statement of the Group's financial accounts;
- your Loan Shares vest (or may vest) as a result of the fraud, dishonesty or breach of obligations of any other person and the Board is of the opinion that the incentives would not have otherwise vested; or
- the Company is required by or entitled under law or Company policy to reclaim remuneration from you,

the Board may determine that:

- your unvested or vested Loan Shares will be forfeited; and/or
- that you are required to pay as a debt any cash payment or dividends (other than those applied towards the repayment of the Loan) provided to you in respect of your award under the Plan.

You should refer to Rule 7 of the Plan Rules for further details.

3.9 Change of control

In summary, in the event of a Takeover Bid or other transaction, event or state of affairs that in the Board's opinion is likely to result in a change in Control of the Company or should otherwise be treated in accordance with Rule 9 of the Plan Rules, the Board has a discretion to determine that vesting of some or all of your Loan Shares should be accelerated and that the remainder shall immediately be forfeited.

If an actual change of Control occurs before the Board has exercised this discretion:

- a pro rata portion of your Loan Shares will vest, calculated based on the portion of the relevant Vesting Period that has elapsed up to the date of the actual change of Control; and

- the Board retains a discretion to determine whether the remaining unvested Loan Shares will vest or be forfeited.

A pro rata amount of the Loan (by reference to the portion of the Loan Shares that vest) will become immediately repayable. Where any Loan Shares are forfeited, a pro rata amount of the Loan (by reference to the portion of the Loan Shares that are forfeited) will be treated as being satisfied.

3.10 Rights issues and bonus issues

You have the same rights as the holder of Shares to participate in new issues of securities by the Company prior to vesting of your Loan Shares.

However, the Plan Rules include specific provisions dealing with rights issues, bonus issues and corporate actions and other corporate reconstructions. These provisions are intended to ensure that there is no material advantage or disadvantage to you in respect of your Loan Shares as a result of such corporate actions. Rule 8 of the Plan Rules contains further details.

4. RESTRICTIONS ON DEALING

4.1 Loan Shares prior to repayment of the Loan

Until the Loan is repaid, any Dealing in respect of a Loan Share is prohibited, unless the Board determines otherwise or the Dealing is required by law.

If you purport to Deal with your Loan Shares in contravention of the Plan Rules (including, for instance, by entering into a hedging or other arrangement in relation to your Loan Shares), your Loan Shares will immediately be forfeited.

See Rule 5 of the Plan Rules for further details.

4.2 Loan Shares following repayment of the Loan

If the Vesting Conditions are met and the Loan is repaid in full (by the application of dividends or other distributions on the Loan Shares or if you otherwise repay the loan), you will be free to Deal with the Loan Shares, subject to the requirements of the Company's Securities Trading Policy.

A copy of the Policy is attached to this Offer and is also available on the ASX website at www.asx.com.au. You should review the Policy carefully and you must comply with it.

5. GENERAL INFORMATION

Before deciding how to respond to this Offer, you should read this Offer and the Plan Rules. Together these documents set out all of the terms of the Offer, so you should retain them in a safe place for future reference.

Any advice given by the Company in connection with this Offer is general advice only. The Company makes no recommendation about whether you should participate in the Offer. This Offer does not constitute investment advice, nor any recommendation by the Company regarding participation in the Offer.

If you have any specific queries about this Offer having regard to your specific circumstances, you should consider obtaining your own financial product advice from an independent person who is licensed by the Australian Securities and Investments Commission to give such advice.

You are not obliged to participate in the grant of the Loan to acquire Loan Shares and there will be no other advantages or disadvantages to your employment whatever your decision.

The decision whether or not to participate is yours to make based on your own circumstances and after you have obtained any further advice you feel you require.

Any securities issued in accordance with this Offer are issued as an incentive to promote mutual interdependence between you and the Company and to further align your interests with the interests of the Company's shareholders. They are not issued by the Company for the purpose of fundraising or onsale.

SCHEDULE 1 - ACCEPTANCE FORM

Application for Shares under the Automotive Solutions Group Ltd Employee Limited Recourse Loan Plan ('Plan')

To:	Automotive Solutions Group Ltd ('Company')
Name of Employee:	[insert] ('Participant')
Address:	[insert]
Tax File Number or Exemption:	[insert]

- A. The Participant has received an offer ('Offer') to participate in the Plan.
- B. Terms used in this Acceptance Form which are defined in the Plan and the Offer have the meanings given in those documents and in the case of conflict the meanings in the Plan prevail.
- C. The Participant applies to be issued the number of Shares as set out in the Offer.
- D. The Participant agrees to be bound by the terms and conditions of the Plan.
- E. The Participant acknowledges that any Shares issued to the Participant under the Plan will be subject to the provisions of the Constitution.
- F. The Participant requires a draw down under the Loan Facility to acquire the Shares the particulars of which are set out below:
- (a) the proposed Drawdown Date is [insert];
 - (b) the Loan Amount \$[insert];
 - (c) the Participant irrevocably authorises the Company to apply the Loan Amount on behalf of the Participant by way of payment of the Acquisition Price Shares to be acquired under the Offer.
- G. By executing and returning this Acceptance Form the Participant acknowledges and agrees that:
- (a) this Acceptance Form constitutes acceptance of the offer to subscribe for Shares; and
 - (b) the Shares are fully vested from the date of issue.
- H. The Participant confirms and acknowledges that he/she has taken his/her own independent professional advice in relation to the proposed investment, and that none of the Company, its officers, agents or advisers, or any of its other shareholders, has given any representation, warranty or recommendation to the Participant in relation to his/her proposed investment.

EXECUTED AS A DEED POLL

SIGNED SEALED AND DELIVERED by)
[INSERT PARTICIPANT] in the presence of:)
)
)
)

Signature of Witness

Signature of Participant

Name of Witness (please print)

SCHEDULE 2 - LOAN FACILITY

Automotive Solutions Group Limited Loan Plan – Loan Facility

We refer to the offer ('Offer') from Automotive Solutions Group Ltd ACN 613 474 089 ('Company') to you dated [] under which you have been offered up to [] ordinary shares in the share capital of the Company ('Shares') on the terms set out in the Automotive Solutions Group Limited Employee Loan Plan ('Plan') and the Offer.

A copy of the Plan is **enclosed**. Please read the Plan carefully. Any capitalised terms not defined in this document have the meaning given in the Plan.

The Company offers to make available to you a loan facility ('Loan Facility') on the terms set out in the attached Loan Terms for the purpose of funding the Acquisition Price for [insert number] Shares.

By signing below, you ('Borrower') accept the Offer and agree to be bound by the terms of the Loan Facility and Loan Terms.

This agreement may consist of a number of copies, each signed by one or more parties to this agreement. If so, the signed copies are treated as making up the one document.

This agreement is governed by the law in force in Queensland, Australia. The Borrower and the Company submit to the non exclusive jurisdiction of the courts of that place.

EXECUTED AS AN AGREEMENT

EXECUTED by a duly authorised officer for)
and on behalf of **AUTOMOTIVE SOLUTIONS**)
GROUP LTD ACN 613 474 089 pursuant to)
Section 127 of the *Corporations Act 2001*)
(*Cth*):)
)

Director

Director/Secretary

SIGNED SEALED AND DELIVERED by)
[INSERT PARTICIPANT] in the presence of:)
)
)
)
)

Signature of Witness

Signature of Participant

Name of Witness (please print)

SCHEDULE 3 – LOAN TERMS

1. INTERPRETATION

Words and expressions defined in Rule 1.1 of the Rules have the same meanings when used in these Loan Terms. Other words and expressions have the meaning given in paragraph 24 of these Loan Terms.

2. LOAN TERMS

On and subject to these Loan Terms and the Offer, the Company will lend the Borrower the Loan Amount on the Drawdown Date.

3. PURPOSE OF LOAN FACILITY

- (a) The Borrower may only use the Loan Facility to pay the Acquisition Price for Shares acquired by the Borrower under Rule 3 of the Rules.
- (b) No proceeds of a Loan Facility may be applied towards subscribing for or purchasing Shares other than under the Plan.

4. CONDITIONS PRECEDENT TO ADVANCE

The Company is not obliged to advance the Loan Amount until the Company has received a properly completed Drawdown Notice and Acceptance Form duly executed by the Borrower.

5. DRAWDOWN NOTICE

A Drawdown Notice is effective on receipt in legible form by the Company and is irrevocable.

6. EFFECT OF DRAWDOWN NOTICE

By completing, executing and lodging a Drawdown Notice with the Company, the Borrower:

- (a) requests to borrow an amount equal to the Loan Amount from the Company;
- (b) agrees that, should the Company agree to the Borrower's request by complying with the direction in paragraph 6(d), a Loan Facility will be established between the Company and the Borrower on the terms of these Loan Terms;
- (c) agrees to be bound by the Loan Facility; and
- (d) irrevocably directs the Company to apply the Loan Amount to fund the Borrower's acquisition of Shares at the Acquisition Price referable to the Loan Amount in accordance with these Loan Terms.

7. SECURITY

- (a) Subject to Applicable Laws, to secure payment or delivery of the Loan Amount and for performance of the Borrower's obligations under the Loan Facility, the Borrower grants a Security Interest in the Secured Property to the Company.
- (b) Subject to paragraph 8 of these Loan Terms, the Security Interest granted under these Loan Terms is a continuing security until the Company releases all Secured Property from the Security Interest, despite any intermediate payment, discharge, settlement, release or other matter.

- (c) The Company is entitled to retain the certificates (if any) in respect of the Shares acquired with the Loan Facility and to impose a Holding Lock on the Shares.
- (d) To the extent that the Company determines that anything in the Loan Facility creates a Security Interest under the PPSA in favour of the Company, the Borrower consents to the Company registering a financing statement in respect of that Security Interest in accordance with the PPSA and will do all things necessary to enable the Company to perfect that Security Interest.

8. RELEASE OF SECURED PROPERTY

The Borrower may require the Company to release some or all of the Secured Property from these Loan Terms or any Security Interest created under it if the Company is reasonably satisfied that:

- (a) the Loan Amount in respect of the relevant part of the Secured Property has been or will be (on a disposal of some or all of the Secured Property and the application of the proceeds of sale in repayment of that part of the Loan Amount under 13(b)) irrevocably paid in full and all commitments which might give rise to a Loan Facility have terminated; and
- (b) the Borrower has complied with all of its obligations under the Loan Facility.

9. FURTHER ASSURANCES

The Borrower must do (and must procure that anyone else who has an interest in the Secured Property or who claims under or in trust for the Borrower does) whatever the Company requires to perfect, preserve, maintain, protect, or otherwise give full effect to the Secured Property, these Loan Terms or each Security Interest intended to be created under the Plan and these Loan Terms, and the priority of that Security Interest required by the Company.

10. INTEREST

No interest will be charged on the Loan Amount unless specified in the Offer.

11. DISTRIBUTIONS

If the Borrower is entitled to any distribution in respect of the Shares, whether of an income or capital nature (including any dividend, distribution, interest, distribution on a winding up, capital reduction, redemption, security buy back, proceeds from sale or otherwise) (Distribution), the Borrower must direct:

- (a) the After Tax Amount of any dividend component of the Distribution to be applied in repayment or reduction of the Loan Amount while any part of the Loan Amount is outstanding; and
- (b) any capital component of the Distribution to be applied in repayment or reduction of the Loan Amount while any part of the Loan Amount is outstanding.

12. REPAYMENT & LIMITED RECOURSE

End of Loan Period

- (a) In respect of Vested Shares, at the end of the Loan Period, the Borrower must repay within thirty (30) days of the end of the Loan Period the lesser of:
 - (i) the outstanding balance of the Loan Amount; and
 - (ii) the market value of the Shares acquired with the Loan Facility.

- (b) In respect of Unvested Shares, at the end of the Loan Period, the Borrower must repay within thirty (30) days of the end of the Loan Period the market value of the Shares (unless the Loan Amount has previously been repaid in full under paragraph 13 of these Loan Terms).

Cessation of Employment – Vested Shares

- (c) If the Borrower ceases employment with the Group prior to the end of the Loan Period, then in respect of any Vested Shares, unless otherwise determined by the Board, the Borrower must repay within twelve (12) months of the Termination Date the lesser of:
 - (i) the outstanding balance of the Loan Amount; and
 - (ii) the market value of the Shares acquired with the Loan Facility.

Cessation of Employment – Unvested Shares

- (d) If the Borrower ceases employment with the Group prior to the end of the Loan Period and holds Unvested Shares, unless otherwise determined by the Board, on the Termination Date the Borrower must repay the market value of the Unvested Shares acquired with the Loan Facility (unless the Loan Amount has previously been repaid in full under paragraph of these Loan Terms).

Forfeited Shares

- (e) Where the amount repaid by the Borrower under this paragraph 12 is an amount equal to the market value of the Shares acquired with the Loan Facility at a particular time because of the operation of subparagraphs 12(a)(i)(B), 12(b), 12(c)(ii) or 12(d), those Shares become Forfeited Shares at the time of repayment and paragraphs 15 and 16 will apply to those Forfeited Shares.
- (f) Where the Borrower's Shares acquired with the Loan Facility become Forfeited Shares:
 - (i) the Borrower will be taken to have repaid the Loan Facility in full and is discharged from any further liability or obligation in respect of the Loan Facility;
 - (ii) no further amount will be repayable by the Borrower to the Company under the Loan Facility in respect of the Shares; and
 - (iii) no further amount will at any time be recoverable by the Company from the Borrower in respect of the Loan Facility.

Acknowledgement

- (g) The parties acknowledge that the Borrower's repayment obligations in relation to the outstanding balance of the Loan Amount will be equal to the lesser of the outstanding balance of the Loan Amount and the market value of the Shares on the relevant date.

Release from Holding Lock

- (h) At the end of the Loan Period any Shares which are not Forfeited Shares or which have not previously been released from Holding Lock will be released from Holding Lock.

13. REPAYMENTS OR PREPAYMENTS

- (a) Subject to paragraph 13(b), the Borrower may repay or prepay the whole or any part of the outstanding balance of the Loan Amount at any time.

- (b) Where the Borrower disposes of his or her Shares (other than where the Shares are Forfeited Shares), the Borrower must apply the proceeds of sale in repayment of the Loan Amount while any part of the Loan Amount is outstanding.

14. POWER OF ATTORNEY

- (a) At all times while the Loan Amount (or any part of it) is outstanding, the Borrower irrevocably appoints the Company and any person nominated by the Company (each an Attorney) severally, as the Borrower's attorney, to:
 - (i) do any act, matter or thing which in the opinion of the Company:
 - (A) is necessary, desirable or expedient to give effect to any right, power or remedy conferred on the Group; or
 - (B) is necessary, desirable or expedient to ensure that the terms of the Plan and these Loan Terms are adhered to, including but not limited to selling, transferring or disposing the Shares acquired with the Loan Amount;
 - (ii) sign or enter into (or both) all assurance, documents, deeds, agreements and instruments which in the opinion of the Company or that Attorney it is necessary, desirable or expedient that the Borrower sign or enter into under the Plan and these Loan Terms or make any alteration or addition whatsoever which the Company or that Attorney may think fit; and
 - (iii) exercise all of the powers of the Borrower in relation to sale, transfer or disposal (including forfeiture under paragraphs 15 and 16) of the Shares acquired with the Loan Amount.
- (b) The Borrower will confirm and ratify everything which an Attorney may do pursuant to any power set out in paragraph 14(a) and no person dealing with the Attorney shall be bound or concerned to enquire as to the occasion for or the regularity of the exercise of any such power.
- (c) The Borrower will indemnify and keep indemnified the Attorney against all losses, liabilities, costs, expenses, proceedings, claims, actions, demands, and damages in consequence of or arising out of the exercise by the Attorney of any of the powers granted under this paragraph 14.

15. FORFEITURE OF SHARES

- (a) Subject to paragraph 15(c), a Share will be forfeited on the earlier to occur of:
 - (i) the Borrower's failure to repay the outstanding balance of the Loan Amount required under paragraph 12(a)(ii) or 12(c)(i); and
 - (ii) the Share being forfeited in accordance with paragraph 12(e).
- (b) Where a Share held by a Borrower is forfeited in accordance with this paragraph 15, the Borrower's rights in the Forfeited Share will be extinguished and paragraph 16 will apply.
- (c) The Company may determine, at any time and in its sole discretion, that the provisions of this paragraph 15 do not apply to a Borrower in whole or in part. The Company need not treat each Borrower equally, equitably or similarly in making any determination under this paragraph 15(c).

16. BUY BACK AND SALE OF FORFEITED SHARES

- (a) As soon as reasonably practicable after any Shares become Forfeited Shares and subject to the Applicable Laws, the Company must:
 - (i) sell those Forfeited Shares;

- (ii) buy back and cancel the Forfeited Shares; or
 - (iii) deal with the Forfeited Shares in any other manner determined by the Company.
- (b) No consideration or compensation will be payable to a Borrower for or in relation to the forfeiture by the Borrower of ownership of Shares acquired with the Loan Amount.
- (c) In making any determination as to the forfeiture or otherwise of the ownership of Shares or other entitlements under paragraphs 15 and 16, the Company may impose any conditions that it thinks fit.

17. REPRESENTATIONS

The Borrower represents to the Company as at the date of the Loan Facility that:

- (a) it has the power to execute and deliver and to perform its obligations under the Loan Facility;
- (b) the Loan Facility constitutes as against him or her valid and binding obligations and is enforceable in accordance with its terms;
- (c) he or she has entered into the Loan Facility as principal and not otherwise;
- (d) he or she does not enter into the Loan Facility in the capacity of a trustee of any trust or settlement; and
- (e) he or she is not bankrupt.

18. CERTIFICATE OF THE COMPANY

A certificate in writing signed by an officer of the Company certifying the amount payable by the Borrower under the Loan Facility to the Company or stating any other act, matter or thing relating to the Loan Facility will be conclusive and binding on the Borrower in the absence of manifest error.

19. SEVERABILITY

Any part of these Loan Terms which is illegal, void or unenforceable will be ineffective to the extent only of the illegality, voidness or unenforceability, without invalidating the remaining parts of the Loan Terms.

20. WAIVER

A failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, remedy, power or privilege under the Loan Facility by the Company will not in any way preclude or operate as a waiver of any further exercise or enforcement or the exercise or enforcement of any other right, remedy, power or privilege under the Loan Facility or provided by law.

21. TIME OF ESSENCE

Time is of the essence in respect of the obligations of the Borrower under the Loan Facility.

22. ASSIGNMENT

The rights of the Borrower under the Loan Facility are incapable of being assigned (whether at law, in equity or otherwise) or made the subject of any encumbrance, trust or fiduciary obligation without the prior written consent of the Company. Any action which purports to do any of these things is void.

23. PPSA

Without limiting any other provision of these Loan Terms or any other document, the Borrower waives its right to receive any verification statement (or notice of any verification statement) in respect of any financing statement or financing change statement relating to any Security Interest created under these Loan Terms or any other document.

24. GLOSSARY

Unless the context otherwise requires, in these Loan Terms:

Acquisition Price means the relevant acquisition price (inclusive of any brokerage and duty) to be paid in Australian dollars for the Shares.

After Tax Amount means in respect of a financial year the dividend amount paid in cash by the Company multiplied by the rate that will be calculated as 1 minus the top marginal income tax rate for individuals for that year reduced by any tax offset available to the Participant in respect of franking credits attached to the dividend.

Borrower means an Employee who has lodged a duly completed and executed Drawdown Notice with the Company.

Distribution has the meaning given in paragraph 11 of these Loan Terms.

Drawdown Date means the date on which the Loan Amount is advanced by paying the Acquisition Price for Shares in accordance with a Borrower's direction under paragraph 6(d) of these Loan Terms.

Drawdown Notice means a notice to draw down money in the form prescribed by the Company and appearing on the Acceptance Form.

Forfeited Shares means Shares the ownership of which has been or is required to be forfeited under paragraph 15(a).

Holding Lock means a mechanism arranged or approved by the Board and administered by the Company (including through its share registry) that prevents Shares acquired under the Plan being disposed of by a Participant until the Shares have been released from the Plan or ownership of the Shares has been forfeited under these Loan Terms;

Loan Amount means an amount equal to the Acquisition Price for the Shares.

Loan Period means the period commencing on the Date of Acquisition and ending on the seventh anniversary of the Date of Acquisition or such other date set out in the Offer.

Loan Terms means the terms and conditions of the loan as set out in this Schedule 3.

Proceeds means all money (in whatever currency) and amounts payable to the Borrower or to which the Borrower is entitled now or in the future (whether alone or with any other person) on any account or in any way whatsoever under, or as holder of, any Shares or Rights, including:

- (a) distributions, dividends, bonuses, profits, return of capital, interest and all proceeds of sale (within the ordinary meaning of those words), redemption or disposal; and
- (b) all proceeds (as defined in section 31 of the PPSA), including all proceeds identified in sections 31(1)(a) to 31(1)(c) of the PPSA.

Rights means:

- (a) rights to acquire Shares, including due to any allotment, offer, substitution, conversion, consolidation, reclassification, redemption, reconstruction, amalgamation, subdivision, reduction of capital, liquidation or scheme of arrangement in relation to any Shares; and

- (b) any other rights of the Borrower of any kind in connection with the Shares, including in relation to any Proceeds.

Secured Property means all present and future Shares acquired by a Participant under the Plan or any interest in any Shares acquired by a Participant under the Plan, Rights and Proceeds and any certificate, registration, title or other evidence of ownership of, or rights to, any of those things.

Unvested Shares means Shares that are not Vested Shares.

Vested Shares means Shares which have vested in accordance with Rule 7 and Shares which are not subject to any Vesting Conditions.