Executive Director Loan Funded Share Plan

ChimpChange Ltd ACN 150 762 351

1. Name of Plan

This document sets out the rules of the **ChimpChange Limited Executive Director Loan Funded Share Plan**.

2. Objective

2.1 Each Eligible Person is an Executive Director of the Company.

2.2 The Eligible Associate of each Eligible Person is the holder of the Existing Options issued by the Company.

2.3 Each Eligible Associate is entitled to exercise the Existing Options by paying to the Company the Exercise Amount.

2.4 The objective of the Plan is to enable the Company to provide a loan to the Eligible Associate of each Eligible Participant to enable the exercise of the Existing Options.

3. Definitions and interpretation

3.1 In this Plan, unless the context otherwise requires, the following terms and expressions have the following meanings:

Acceptance Date has the meaning ascribed to that term in clause 6.2(e).

Acceptance Form means a form for the acceptance of offers made to an Eligible Person or Eligible Associate in such form as the Board may approve from time to time.

Acknowledgement means the form of acknowledgement from time to time approved by the Board for the purposes of clause 8.

ASIC means the Australian Securities and Investments Commission.

ASIC CO 14/1000 means ASIC Class Order [14/1000] as amended or replaced from time to time.

Associated Body Corporate in relation to the Company means:

a) a Related Body Corporate of the Company; or

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 the ASX Limited ACN 008 624 691.

ATO means the Australian Taxation Office.

Board means the board of directors of the Company.

Business Day means a day on which ASX is open for business.

Commissioner means the Commission of Taxation under the Tax Law.

Company means ChimpChange Ltd ACN 150 762 351.

Corporations Act means the *Corporations Act 2001* (Cth), as amended from time to time.

Eligible Associate means:

a) with respect to Shilkin – Ashley Shilkin as trustee for the Ashley Shilkin Family Trust; and

b) with respect to Leijer – Nareenen Pty Ltd ACN 092 448 050.

Eligible Person means, as the context permits, either or each of:

a) Ashley Shilkin; and

b) Ian Leijer.

Executive Director means a director of the Company from time to time who holds a salaried employment or office of the Company.

Exercise Amount means:

a) with respect to Shilkin – $1,752,906.05; and

b) with respect to Leijer - $399,854.00.

Existing Options means:

a) with respect to Shilkin – 5,008,303; and

b) with respect to Leijer – 1,142,440.

Issue Date means the date on which the Securities are issued to Participants.

Listing Rules means the Listing Rules of the ASX as amended from time to time.

Loan means a loan made by the Company to an Eligible Associate under clause 6 of this Plan.

Loan Amount has the meaning given in clause 5.1(a).

Loan Funded Share means a Share that is issued by the Company as a result of the exercise of the Existing Options through the application of a Loan and which is issued subject to this Plan.

Market Price means the closing market price as that term is defined in the ASX Listing Rules.

Offer means an offer to accept a Loan pursuant to clause 6.

Participant means an Eligible Person or an Eligible Associate who accepts an offer from the Board to participate in this Plan.

Participant Share means a Share that is issued to a Participant under this Plan.

Plan means this ChimpChange Limited Executive Director Loan Funded Share Plan.

Related Body Corporate has the meaning given to that term in the Corporations Act.

Securities means a Share and **Security** has a corresponding meaning.

Share means fully paid ordinary shares in the capital of the Company.

Tax Law means the Income Tax Assessment Act 1997 and the Income Tax Assessment Act 1936, as the case may be.

Tax Ruling means a private binding ruling received by the Company from the Commissioner pursuant to a request made by the Company regarding the tax consequences (and in particular, Division 7A of the Income Tax Assessment Act 1936) of the Eligible Person entering into the Plan.

Terms of Allotment means, in relation to a Security:

(a) the terms and conditions of this Plan;

(b) the Acknowledgement required under clause 8;

(c) each restriction and other condition prescribed by the Board in relation to the Security; and

(d) each statement setting out particulars in relation to the Security under clause 9.

3.2 In this Plan,

(a) Unless the contrary intention appears, a reference in these Rules to:

(1) these Rules or another document includes any variation or replacement of it despite any change in the identity of the parties;

(2) one gender includes the others;

(3) the singular includes the plural and the plural includes the singular;

(4) a person, partnership, corporation, trust, association, joint venture, unincorporated body, Government Body or other entity includes any other of them;

(5) an item, recital, clause, subclause, paragraph, schedule or attachment is to an item, recital, clause, subclause, paragraph of, or schedule or attachment to, these Rules and a reference to these Rules includes any schedule or attachment;

(6) a party includes the party's executors, administrators, successors, substitutes (including a person who becomes a party by novation) and permitted assigns;

(7) any statute, ordinance, code or other law includes regulations and other instruments under any of them and consolidations, amendments, re-enactments or replacements of any of them;

(8) money is to Australian dollars, unless otherwise stated; and

(9) a time is a reference to Queensland time unless otherwise specified.

(b) The words include, including, such as, for example and similar expressions are not to be construed as words of limitation.

(c) Where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have a corresponding meaning.

4. Operation of Plan

4.1 **Operation of Plan**

The Plan will commence on the date determined by the Board and continue in operation until the Board determines that the Plan is terminated, suspended or discontinued. If the Plan is terminated, suspended or discontinued, the accrued rights of the Participants will not be prejudiced.

4.2 **Non-compliant with ASIC CO 14/1000**

The Plan is not a plan for the purposes of CO 14/1000. The Board may only offer to issue Securities pursuant to this Plan:

(a) if the Company has issued an offer document pursuant to which the Company offers to issue Securities pursuant to this Plan;

(b) if the Company can otherwise issue the Securities under this Plan without an offer document pursuant to section 708 of the Corporations Act; and

(c) the Company has complied with clause 6.2.

5. Loan Terms

5.1 **Loan terms**

The terms of the Loan will be as follows:

(a) the amount for each Eligible Person will be equal to the Exercise Amount (**Loan Amount**);

(b) the Loan Amount will be advanced to the benefit of the Eligible Associate;

(c) the Loan Amount must be used by the Eligible Associate to meet payment of the Exercise Amount and to give effect to the exercise of the Existing Options;

(d) subject to clause 5.5 the term of the Loan will be:

(1) 7 years from the date of advance of the Loan; or

(2) reduced to 4 years from the date of advance of the Loan if a favourable Tax Ruling is received by the Company;

(e) the interest payable on the Loan will be:

(1) if clause 5.1(d)(1) applies – 5.45% for the income year ending 30 June 2016 and as determined under Division 7A of the Income Tax Assessment Act 1936 for each successive year; or

(2) if clause 5.1(d)(2) applies – nil (interest-free);

(f) The Eligible Person or Eligible Associate (as applicable) must make the minimum yearly repayment required by Division 7A of the Income Tax Assessment Act 1936 in each financial year after the year in which the Loan is made; and

(g) the liability of the Eligible Person and the Eligible Associate is limited to the rights of the Company in respect of repayment of the Loan Amount, which in turn is limited to the Loan Funded Shares held by that Participant whilst under the Plan.

5.1 **Application to exercise of Existing Options**

Upon acceptance of the Offer the Eligible Person and the Eligible Associate will be bound by the terms of the Offer and the Company will apply the Loan Amount for each Eligible Associate to the Exercise Price and issue the Loan Funded Shares.

5.2 **Lien**

(a) The Company will have a lien over the Loan Funded Shares until all amounts outstanding under or in connection with the Loan have been repaid.

(b) Until the Loan is repaid, the Company may take any action available to it to prevent the transfer of the Loan Funded Shares.

5.3 **Repayment**

(a) A Loan will be repayable in full on the first to occur of the following events:

(1) the expiration of the term of the Loan under clause 5.1(d);

(2) the Eligible Person ceases to be an employee of the Company, or any of its subsidiaries, as the case may be;

(3) the Participant fails to comply with a term or condition of the Loan or this Plan; or

(4) the Eligible Person or Eligible Associate becomes bankrupt.

(b) A Loan may also be repaid at the option of the Participant.

5.4 **Forfeiture**

(a) Unless otherwise determined by the Board, while Loan Funded Shares are held by a Participant, they are subject to forfeiture if any of the following conditions are satisfied:

(1) if the Participant fails to repay any amount outstanding under or in connection with the Loan when required to do so under this Plan;

(2) if the Eligible Person ceases to be an employee of the Company, or any of its subsidiaries, as the case may be; or

(3) if the Eligible Person or Eligible Associate becomes bankrupt,

(b) If some or all of the Loan Funded Shares are forfeited, the Company may buy-back (in accordance with the requirements of the Constitution and the Corporations Act) the forfeited Loan Funded Shares at the lesser of the aggregate Market Price for the forfeited Loan Funded Shares as at the date of the buy-back or a value equal to the outstanding balance of the Loan Amount.

(c) A Participant will have no right to the proceeds from any Loan Funded Shares forfeited under this clause 5.4 and will release and hold harmless the Company from any claim in respect thereof.

(d) The Company will cancel the Loan Funded Shares which are bought-back by the Company under this clause 5.4.

(e) Any remaining amount of the Loan Amount after the operation of this clause 5.4 will be forgiven by the Company.

5.5 **Tax Ruling**

The Board will:

(a) apply to the ATO for the Tax Ruling within 14 Business Days following the advance of the Loan for the Tax Ruling;

(b) use all reasonable endeavours to procure the Tax Ruling; and

(c) notify the Participants within 7 Business Days of receipt of the Tax Ruling or any other response from the ATO.

6. Making of Offer

6.1 **Offer of Loan to exercise Existing Options**

The Board will offer a Loan to acquire Shares by way of the exercise of the Existing Options to the Eligible Persons or Eligible Associates (where applicable) subject to the terms and conditions of this Plan for the time being.

6.2 **Requirements for Offer Document**

Such Offer will be in writing and will specify:

(a) the name and address of the Eligible Person or Eligible Associate (where applicable) to whom the Offer is made;

(b) the value of the Loan funds on offer;

(c) the number of Loan Funded Shares being offered;

(d) the date of the Offer;

(e) the date, being not more than seven (7) days after the date of the Offer by which the Offer must be accepted (**Acceptance Date**).

6.3 **Acceptance Form**

The Offer will be accompanied by an Acceptance Form, the terms and conditions of this Plan and a summary of this Plan.

6.4 **Ability to renounce Offer**

An Eligible Person who receives an Offer may renounce the Offer in favour of the Offer being made to an Eligible Associate.

7. Acceptance of Offer

7.1 **Acceptance of Offer**

An Eligible Person or Eligible Associate may accept the Offer by delivering to the Company by the Acceptance Date:

(a) the completed Acceptance Form; and

(b) a duly executed form of notice to exercise the Existing Options; and

(c) any other document required to give effect to the exercise of the Existing Options.

7.2 **Unaccepted Offer will lapse**

An Offer which is not accepted by the Participant by the Acceptance Date will lapse.

7.3 **No brokerage, commission or stamp duty**

No brokerage, commission, stamp duty or other transaction costs will be payable by Eligible Persons or Eligible Associates in respect of any allotment of Securities under this Plan.

7.4 **Terms of Securities**

All Securities allotted under this Plan will rank pari passu in all respects with the Securities of the same class for the time being on issue with the exception of:

(a) any rights attaching to other Securities by virtue of entitlements arising from a record date prior to the date of the allotment in respect of those Securities; and

(b) the restrictions applying under this Plan.

8. Eligibility and acknowledgement for Securities

8.1 **Board discretion**

The Board may in its absolute discretion determine that an Eligible Person who otherwise would be eligible to acquire Securities under this Plan is nonetheless not eligible.

8.2 **Misconduct of Eligible Person**

An Eligible Person will not be eligible to acquire Securities under this Plan at any time if he or she has been given notice of dismissal or termination for misconduct from the employment or engagement by virtue of which he or she would, but for this clause 8.2, be eligible to acquire Securities (or has given notice of resignation from employment or engagement in order to avoid such dismissal).

8.3 **Issue subject to Acknowledgement**

The Board may, at such time as it determines, issue Securities under this Plan to each Participant, subject to the Participant providing, or having provided to the Company, a valid Acknowledgement that the Participant agrees to be bound by the Terms of Allotment and by the constitution of the Company.

8.4 **Approved form**

An Acknowledgment required under this clause 8 must be in the form from time to time approved by the Board and must state any restrictions or other conditions relating to the Securities as determined by the Board.

9. Statement of allotment, interest in Securities

9.1 **Statement of Allotment**

As soon as reasonably practicable after the allotment of Securities, the Company will cause a statement to be provided to each Participant setting out particulars of the Securities allotted to that Participant.

9.2 **Interest in Securities**

Each Participant has full legal and beneficial ownership of the Securities allotted to that Participant but any dealings with those Securities by the Participant are restricted as provided in this Plan.

10. Taxation

10.1 **Company not liable**

Neither the Company nor its Directors, officers, employees, representatives or agents take any responsibility or assume any liability for the taxation liabilities of Eligible Persons or Eligible Associates.

11. Administration of Plan

11.1 **Administered by the Board**

The Board administers this Plan and may:

(a) determine appropriate procedures for the administration of this Plan consistent with the Terms of Allotment; and

(b) delegate to any one or more persons for such period and on such conditions as it may determine, the exercise of any of its powers or discretions arising under this Plan.

11.2 **Board's unfettered discretion**

Except as otherwise expressly provided in this Plan, the Board has absolute and unfettered discretion in the exercise of any of its powers or discretions pursuant to this Plan and to act or refrain from acting under or in connection with this Plan.

11.3 **Waiver of Terms of Allotment**

The Board may, in relation to any Participant Share, waive in whole or in part, on terms it considers appropriate, any of the Terms of Allotment.

11.4 **Dispute**

If there is any dispute or disagreement as to the interpretation of this Plan or the Terms of Allotment of any Security, the decision of the Board is final and binding upon all persons.

Termination or Suspension

11.5 The Plan may be terminated or suspended at any time by resolution of the Directors and notification to the ASX in accordance with the Listing Rules.

12. Amendments to this Plan

12.1 **Board may amend**

Subject to clause 12.2 and the Listing Rules, the Board may by resolution amend (meaning, for the purposes of this clause 12, amend, add to, revoke or replace) this Plan (including this clause 12), the Loan terms under clause 5 or any of the Terms of Allotment of a Participant Share.

12.2 **Must not materially prejudice**

The Board may not amend this Plan if the amendment would materially reduce the rights of a Participant in respect of a Participant Share allotted before the date of the amendment, unless the amendment is introduced primarily:

(a) for the purpose of complying with any State or Commonwealth legislation that affects this Plan;

(b) to correct a manifest error;

(c) to address possible adverse tax implications in respect of this Plan arising from, amongst others:

(1) a ruling of any relevant taxation authority;

(2) a change to tax legislation (including an official announcement by any relevant taxation authority); or

(3) changes in the interpretation of tax legislation by a court or tribunal of competent jurisdiction; or

(d) to enable the Company to comply with its constitution, the Corporations Act, other legislation or the Listing Rules.

12.3 **Retrospective Effect**

Subject to clause 12.2, any amendments made under clause 12.1 may be given retrospective effect as specified in the written instrument by which the amendment is made.

12.4 **Notification of Participants**

As soon as reasonably practicable after making any amendment under clause 12, the Board, by written notice, will inform each Participant affected.

13. Terms of employment or engagement not affected

13.1 **Employment or engagement unaffected**

The Terms of Allotment of this Plan do not:

(a) form part of any contract of employment, engagement or any arrangement in respect of any such employment or engagement, between an Eligible Person and Eligible Associate (when applicable) and the Company; or

(b) constitute a related condition or collateral arrangement to any such contract of employment or engagement,

and participation in this Plan does not in any way affect the rights and obligations of a Participant under the terms of his or her employment or engagement.

13.2 **Terms of Allotment unaffected**

The terms of an Eligible Persons and Eligible Associates (when applicable) employment or engagement with the Company do not in any way affect the rights and obligations of a Participant under this Plan.

13.3 **No right to compensation**

A Participant has no right to compensation or damages from the Company in respect of any loss of future rights under this Plan as a consequence of termination of the Eligible Persons or Eligible Associates (when applicable) employment or engagement.

13.4 **Rights of Participants**

Nothing in this Plan or participation in the Plan:

(a) confers on any Eligible Person the right to continue as a Director or Employee;

(b) confers on any Eligible Person the right to become or remain a Director or Employee or to participate under the Plan;

(c) will be taken into account in determining an Eligible Person's salary or remuneration for the purposes of superannuation or other pension arrangements (where applicable);

(d) affects the rights and obligations of any Eligible Person under the terms of their office, employment with the Company or Associated Body Corporate;

(e) affects any rights which the Company may have to terminate the office, employment or engagement of an Eligible Person or will be taken into account in determining an Eligible Person's termination or severance pay;

(f) may be used to increase damages in any action brought against the Company or an Associated Body Corporate in respect of any such termination; or

(g) confers any responsibility or liability on the Company or Associated Body Corporate or their directors, officers, employees, representatives or agents in respect of any taxation liabilities of the Eligible Person.

14. Notices

14.1 **General**

A notice (meaning for the purposes of this clause 14, notice, application, permission or other communication) under this Plan may be given in writing, addressed to the person to whom it is given, and is taken to be given and received if sent in accordance with clauses 14.2, 14.3 and 14.4.

14.2 **Pre-paid mail, facsimile or email**

For the purposes of clause 14.1, a notice is duly given and received by the Company if sent to the Company by pre-paid mail or by facsimile or other electronic communication, to an address at which it is actually received by:

(a) the person who is, from time to time, designated by the Board as the person to whom the notice should be sent or by whom it should be received, and whose name or title and address are notified to the sender; or

(b) if no other person is designated by the Board for this purpose, the secretary of the Company.

14.3 **Delivery**

For the purposes of clause 14.1, a notice is duly given and received by a natural person (other than a person designated as the person to whom the notice should be sent in order to be received by the Company) if sent to:

(a) the person's last known mailing address or the person's last known facsimile or other electronic communication address; or

(b) in the case of an Eligible Employee or a Participant, to the last known mailing, facsimile or other electronic communication address of the place of business at which the person performs the whole or substantially the whole of his or her office or employment or engagement.

14.4 **Notice to deceased**

A notice given under clause 14.1 to a person being a natural person, is duly given even if the person is then deceased (and whether or not the Company has notice of his or her death), unless the legal personal representative of the person has established title to the satisfaction of the Company and supplied to the Company an address to which documents should be sent.

14.5 **Treatment of notice**

A notice sent in accordance with clause 14.1 is treated as given and received in the case of:

(a) a notice sent to the Company, at the time it is actually received by the secretary or other person designated by the Board as the person to whom it should be sent or by whom it should be received;

(b) any other notice sent by prepaid mail, forty eight (48) hours after it was put into the post properly stamped; and

(c) any other notice sent by facsimile or other electronic communication, at the time of transmission.

15. Constitution, Listing Rules and governing law

15.1 **Subject to Constitution, Listing Rules and Corporations Act**

This Plan and any Terms of Allotment are subject to the Company's constitution, the Corporations Act and the Listing Rules. If there is any inconsistency between the Plan and any Terms of Allotment and the Listing Rules, then the Listing Rules will prevail.

15.2 **Contravention of Law**

Notwithstanding clause 15.1 of the Plan, no Participant Share may be offered, issued, vested or exercised if to do so:

(a) would contravene the Corporations Act or the Listing Rules; or

(b) would contravene the local laws or customs of an Eligible Person or Eligible Associate's country of residence or in the opinion of the Board would require actions to comply with those local laws or customs which are impractical.

15.3 **Governing Law**

This Plan is governed by the laws in force in Queensland and the Commonwealth of Australia.

1. Schedule One – Summary of terms and conditions of the Plan

1. The Plan is to extend only to Eligible Participants (being the Executive Directors of the Company as at the date of the Plan) or their Eligible Associate (as the case may be) of ChimpChange Pty Ltd ACN 150 762 351 (**the Company**) or an Associated Body Corporate of the Company.

2. The purpose of the Plan is to facilitate the Eligible Person (or their Eligible Associate) to exercise their Existing Options under a loan facility provided by the Company.

3. The terms of the Loan will be as follows:

   (a) The loan will be made to the Eligible Associate holding the Existing Options and will be for the amount equal to the exercise price of the Existing Options (**Loan Amount**);

   (b) the Loan Amount must be used to meet payment of the exercise price of the Existing Options;

   (c) the term of the Loan will be 7 years unless the Company obtains a favourable Tax Ruling in which case the term will be reduced to 4 years;

   (d) the interest payable on the Loan will be:

      (1) if the Company does not obtain a favourable Tax Ruling – 5.45% for the income year ending 30 June 2016 and as determined under Division 7A of the Income Tax Assessment Act 1936 for each successive year; or

      (2) if the Company obtains a favourable Tax Ruling – nil (interest-free);

4. The Loan is a limited recourse Loan.

5. The Company will have a lien over the Loan Funded Shares whilst the Loan remains repaid and may take any action available to it to prevent the transfer of the Loan Funded Shares.

6. The Loan Funded Shares will be forfeited if the Loan is not repaid when due, if the Participant ceases to be an employee of the Company or if the Participant becomes bankrupt and the Company can then buy-back the Loan Funded Shares at the lesser of the aggregate Market Price for the forfeited Loan Funded Shares as at the date of the buy-back or a value equal to the outstanding balance of the Loan Amount. Forfeited shares which are bought-back will be cancelled.

7. A Participant will have no right to the proceeds from the Buy-Back of any Loan Funded Shares and any remaining amount of the Loan will be forgiven.

8. The Board may vary the Plan.

9. The Plan is separate to and does not in any way form part of, vary or otherwise affect the rights and obligations of an Eligible Person under the terms of his or her employment or arrangement.