

Praemium Directors & Employee Benefits Plan

Praemium Limited
ACN 098 405 826

*Approved by the Members of Praemium Limited
at the Company's Annual General Meeting
held on 10 November 2008 and amended at
the Company's Annual General Meeting
held on 23 November 2009*

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1. General Nature of the Plan

Description

- 1.1. This is a plan under which employees and others may become holders of Shares, Options and Performance Rights in the Company. This Plan is called the **Praemium Director and Employee Benefits Plan**.

Object of this Plan

- 1.2. The object of this Plan is to help the Company recruit, reward, retain and motivate its employees and directors.

Commencement of Plan

- 1.3. This Plan starts on the Starting Date.

2. Eligibility and Restrictions

Eligibility

- 2.1. A person is eligible (**Eligible Person**) to receive an Invitation under this Plan if he or she is:
- (a) a director or secretary of a Group Company;
 - (b) an employee in permanent full-time or permanent part-time employment of a Group Company; or
 - (c) a contractor to a Group Company,
- who is selected by the Board to participate in this Plan.

Maximum numbers

- 2.2. The Company must not issue any Shares or grant any Option, Performance Rights or other Options under this Plan if, immediately after the issue or grant, the sum of:
- (a) the total number of unissued Shares over which Options, Performance Rights or other Options (which remain outstanding) have been granted under this Plan and any other Group employee incentive scheme; and
 - (b) the total number of Shares issued and held under this Plan and held under any other Group employee incentive scheme at the time of the proposed issue or grant,
- would exceed 8.7% of the total number of Shares, on issue at the time of the proposed issue or grant.

Voluntary participation

- 2.3. Participation in this Plan by Eligible Persons is voluntary and no Eligible Person is required to participate in this Plan.

Overriding restrictions on grant and exercise

- 2.4. No Option or Performance Right may be granted or exercised if to do so

would contravene the Constitution of the Company, the *Corporations Act 2001* or any other applicable law of a jurisdiction in which the Company is incorporated or a Participant resides. Any purported grant or exercise in breach of the foregoing is invalid.

3. Invitations to Participate

Invitations to Participate

- 3.1. Subject to these Rules, the Board may make Invitations to any Eligible Persons at any time.

Form of Invitation

- 3.2. The Invitation will specify if the offer of Performance Rights, Options and/or Plan Shares to Eligible Employees is in accordance with the tax deferral provisions as may be permitted under the Tax Act. An Invitation shall be in such form and content and subject to such conditions and Rules as the Board determines, which may include:
- (a) the name and address of the Eligible Person to whom the Invitation is made and, where the Board so decides, that the application may be made in the name of an Associate of the Eligible Person;
 - (b) the total number of Shares, Options or Performance Rights (as the case may be) being made available to the Eligible Person;
 - (c) the closing date for applications and the last date for acceptances by the Company;
 - (d) in the case of Options, the Exercise Period, the Exercise Price (if any) and the Exercise Conditions (if any) attaching to the Options;
 - (e) in the case of Shares, the issue price payable on acceptance of the application by the Company (if any) and issue of the Shares (if any) and any other specific terms and conditions of issue of the Shares;
 - (f) in the case of Performance Rights, the Performance Criteria and the Performance Period in which those Performance Criteria must be satisfied (if any);
 - (g) an application form;
 - (h) a summary, or a copy of, this Plan;
 - (i) any restrictions on the Participant's rights to deal with the Shares acquired under the Plan in addition to those Restrictions set out in Rule 9.2.
 - (j) the procedure to be followed by an Eligible Person to apply to participate in this Plan and to apply for Shares, Options or Performance Rights (as the case may be); and
 - (k) any other information or documents required to be included in the Invitation by any applicable law or the ASX Listing Rules.

Right to reject applications

- 3.3. The Board is entitled to reject any application by an Eligible Person to participate in this Plan without assigning any reason.

Effect of acceptance of Invitation

- 3.4. If the Board resolves to accept an application by an Eligible Person to participate in this Plan and to be allocated Shares, granted Options or Performance Rights (as the case may be) the Board must notify the Eligible Person accordingly.
- 3.5. Once notice is given, a contract is formed between the Eligible Person and the Company under which:
- (a) an Eligible Person:
 - (i) becomes bound by the terms and conditions of the Invitation and this Plan; and
 - (ii) in the case of an allocation of Shares, agrees to be bound by the Constitution of the Company;
 - (iii) agrees to the allocation of the Shares or grant of the Options or Performance Rights made available to the Eligible Person in accordance with the terms and conditions of the Eligible Person's application which is accepted by the Board; and
 - (iv) becomes a Participant in this Plan.
 - (b) the Company must, subject to this Plan, issue a holding statement in the form determined by the Board (and containing such information as required by all applicable laws) to evidence the allocation of the Shares or the grant of the Options or Performance Rights to the Participant.

4. Risk Lies with Eligible Person

- 4.1. If an Eligible Person is allocated Shares or granted Options or Performance Rights and participates in this Plan, the risk of loss to that Eligible Person as the holder of Shares, Options or Performance Rights (as the case may be) arising for any reason whatsoever, including from the Shares or Options falling in value, lies with the Eligible Person. Neither the Group, nor the Board, nor officer or employee of the Company represents that either the Shares or Options will maintain their value or increase in value. None of them is responsible to an Eligible Person if the Eligible Person suffers any loss.
- 4.2. Neither the Group nor any adviser to the Group nor the Board represents or warrants that this Plan will have any particular taxation consequences or that any Participant will gain any taxation advantage by participating in this Plan and they are not liable for, or as a consequence of, any taxes imposed upon or duties assessed against a Participant.

5. Option Terms

Entitlement to Shares

- 5.1. Subject to Rule 12, each Option confers an entitlement to subscribe for and be allocated one Share, credited as fully paid, at the Exercise Price.

Obligation of the Company to deliver Shares

- 5.2. Subject to this Plan, the Company must deliver to the Participant a Share

on exercise of an Option.

Options subject to this Plan

- 5.3. Options will be governed by this Plan until the Options:
- (a) lapse in accordance with Rule 10; or
 - (b) are exercised and Shares have been allocated as a result of that exercise.

Options personal to Participant

- 5.4. Options are personal to the Participant and may not be transferred or exercised by any other person or body corporate except to the extent necessary to enable a Participant's Legal Personal Representative to exercise the Options in accordance with Rule 6.

6. Exercise of Options

Procedure for exercise

- 6.1. Subject to the satisfaction of the Exercise Conditions and this Plan, an Option which has not lapsed in accordance with Rule 10 may be exercised during the Exercise Period by the Participant lodging at the address as nominated in the Invitation:
- (a) a Notice of Exercise signed by the Participant (which may include execution via an electronic exercise facility as determined by the Board from time to time);
 - (b) any other documentation as may be specified in the Invitation; and
 - (c) payment of the Exercise Price (with all funds having cleared) in respect of the Options exercised in accordance with Rule 6.2.

Form of payments

- 6.2. All payments made under Rule 6.1 must, unless otherwise determined by the Board, be made:
- (a) in the manner specified in the Invitation; and
 - (b) denoted in Australian dollars.

Exercise in minimum parcels

- 6.3. A Participant may exercise some or all of the Options he or she holds, but must exercise Options in such minimum parcels as may be prescribed by the Board from time to time and notified from time to time to the Participants in writing.

Partial exercise – release of new holding statement

- 6.4. Where a Participant submits a Notice of Exercise in respect of only some of the Options covered by a certificate, the Company must provide an updated holding statement containing all information required by all applicable laws.

Timing of delivery of Shares

- 6.5. The Company must use its reasonable endeavours as soon as practicable following the exercise of the Options, to deliver that number of Shares in respect of which Options have been validly exercised pursuant to this Rule 6.

7. Terms of Performance Rights Eligibility and Restrictions

Offer of Performance Rights

- 7.1. The Board may offer Performance Rights to any Eligible Person at its sole discretion. Each Performance Right confers an entitlement to be provided with one Share, credited as fully paid, at no cost upon the full satisfaction of the Performance Criteria specified in the Invitation in relation to that Performance Right.

Board may add to or vary Performance Rights

- 7.2. The Board may add to or vary any Participant's Performance Rights, in a manner that increases the overall benefit to the Participant, if the Participant is promoted, receives an increase in remuneration, or if the Participant's professional circumstances change such that the Board considers the previous Performance Rights to be no longer appropriate.

Performance Rights subject to this Plan

- 7.3. Performance Rights will be governed by this Plan until the Performance Rights:
- (a) lapse in accordance with Rule 10; or
 - (b) the Performance Criteria to which the Performance Rights relate have been fully satisfied in accordance with this Plan and consequently Shares have been allocated in respect of those vested Performance Rights.

Performance Rights not property

- 7.4. Performance Rights are personal contractual rights granted to the Participant only and do not constitute any form of property. Performance Rights cannot be transferred to or vest in any person or body corporate other than the Participant except to a Participant's Legal Personal Representative when Performance Rights have vested in accordance with Rule 8 and Shares are yet to be allocated accordingly.

8. Performance Criteria

Board may determine Performance Criteria

- 8.1. The Group CEO with Board's approval will determine the Performance Criteria which set individually for the Participant and will apply to any Performance Rights granted under this Plan. The Performance Criteria, including the Performance Period, will be set out in the Invitation and will specify the criteria which the Participant is required to meet in the specified Performance Period in order to become entitled to receive Shares under this Plan.

- 8.2. The Board may, consistently with the terms of the plan and the Company's remuneration policy, further determine the terms on which Performance Rights may vest and the number of shares to be issued on vesting or the Restrictions imposed on such shares.
- 8.3. In respect of a particular grant of Performance Rights, the Board may not vary the Performance Criteria or the Performance Period after the grant of those Performance Rights.
- 8.4. At the end of the Performance Period the Board will determine (or will commission an independent scrutineer to determine) whether (and, where applicable, to what extent) the Participant has satisfied the Performance Criteria applicable to the Performance Period. As soon as possible after making that determination the Board must inform the Participant of that determination, and of the number of Shares to be provided to the Participant in respect of the vested Performance Rights to which those Performance Criteria relate.
- 8.5. The number of Shares calculated in accordance with Rule Part C8.4 may be provided to the Participant subject to the Restrictions. Where the number of Shares provided to the Participant in respect of a Performance Period is less than the number of Performance Rights granted to the Participant for that Performance Period, then any Performance Rights that have not vested will immediately lapse.

9. Delivery of Shares

Delivery of Shares directly to Participant

- 9.1. Shares to be acquired by a Participant under the Plan may be delivered to a Participant by, at the absolute discretion of the Board, the issue, transfer or purchase of Shares on behalf of the Participant.

Restrictions on Shares

- 9.2. Participants may not dispose of, or grant any Security Interest over, any Shares held by the Participant under this Plan during a Restriction Period. The Company may place a holding lock or similar arrangement to give effect to the Restrictions.
- 9.3. A Participant (and any person claiming through a Participant) will forfeit any right or entitlement in any Shares under the Plan, if during the Restriction Period, that Participant has:
 - (a) been dismissed or removed from office for a reason which entitles a company in the Group to dismiss the Participant without notice or has committed any act of fraud, defalcation or gross misconduct in relation to the affairs of that company (whether or not charged with an offence);
 - (b) committed any act which brings the Group into disrepute; or
 - (c) ceases to be employed by the Group and the Board directs that such Shares are to be forfeited.
- 9.4. Upon the allocation of Shares to a Participant, the Company may require from the Participant a signed blank transfer in relation to those Shares or any other documentation required to give effect to RulePart C9.3,

including, but not limited to, a power of attorney. The Participant must provide such a transfer or such other documentation.

Removal of Restrictions

- 9.5. The circumstances surrounding the removal of the Restrictions will be set out in the Invitation.

10. Quotation

- 10.1. The Company will not seek official quotation of any Options or Performance Rights.
- 10.2. Subject to the Company being satisfied in all respects that there are no trading restrictions on the holder of any Shares delivered under this Plan, or any Shares allocated on exercise of Options or Performance Rights under this Plan, which have been imposed under
- (a) this Plan;
 - (b) the Listing Rules ; or
 - (c) the Corporations Act,
- the Company must use all reasonable endeavours to obtain the grant of quotation of those Shares on ASX no later than 10 business days (or such shorter period as may be required by ASIC or ASX) after the later of either:
- (a) the date of issue and allotment of the Shares; or
 - (b) the date that the Company is satisfied as to the absence of any trading restriction.

11. Lapse of Options and Performance Rights

When do Options and Performance Rights lapse

- 11.1. Subject to Rules 8.5 and 11.2, Options and Performance Rights will lapse on the earliest of:
- (a) (in the case of Options only) the Last Exercise Date;
 - (b) (in the case of Performance Rights only) a determination in accordance with Rule Part C8.4 that the Participant has not satisfied the Performance Criteria specified by the Board in respect of those Performance Rights (in which case all such Performance Rights will immediately lapse); or
 - (c) a determination of the Board that the Participant has, in the Board's opinion:
 - (i) been dismissed or removed from office for a reason which entitles a company in the Group to dismiss the Participant without notice or has committed any act of fraud, defalcation or gross misconduct in relation to the affairs of that company (whether or not charged with an offence);
 - (ii) committed any act which brings the Group into disrepute;
 - (iii) the date on which the Participant ceases to be employed by

- any member of the Group (other than due to the occurrence of a Special Circumstance); or
- (d) the receipt by the Company of notice from the Participant (after a Special Circumstance has arisen with respect to the Participant) that the Participant has elected to surrender the Option or Performance Right.

Discretion of Board

- 11.2. Rule 11.1 is subject to the Board, in its discretion and having regard to these matters set out in Rule 11.3, allowing a Participant to:
- (a) exercise any or all of their Options, whether or not the Exercise Conditions have been satisfied, and whether or not the Options would otherwise have lapsed, provided that no Options will be capable of exercise later than the Last Exercise Date; and
- (b) retain any Performance Rights regardless of:
- (i) the expiry of the Performance Period to which those Performance Rights relate; or
- (ii) any failure by the Participant to satisfy in part or in full the Performance Criteria specified by the Board in respect of those Performance Rights;
- (iii) in which case, the Board may:
- A. determine that any or all of those retained Performance Rights shall vest and the corresponding Shares shall be provided to the Participant; or
- B. determine a new Performance Period for those retained Performance Rights and notify the Participant of that Period as soon as practicable.

Determination whether to exercise discretion

- 11.3. If, within 30 days of the earlier to occur of:
- (a) a person who was a Participant, ceasing to be an Eligible Person; or
- (b) the giving of notice of termination by the Eligible Person, the Company or other member of the Group which employs the Eligible Person,
- a person who was a Participant requests the Board in writing to do so, then the Board must determine whether or not to exercise its discretion under Rule 11.2 in relation to that person, having regard to (among other matters) the following factors:
- (a) the reason for the cessation of employment within the Group;
- (b) (in the case of Options only) the length of time between the date of cessation of employment and the Last Exercise Date;
- (c) (in the case of Performance Rights only), the Participant's reasons for any failure to satisfy any Performance Criteria;
- (d) the total length of service of the person as an employee within the Group;

- (e) if the cessation of employment is related to the person's performance, then the extent to which the person has been given warning of their performance inadequacies;
- (f) information provided by the person to the Board to support any claim to exercise the discretion in the person's favour; and
- (g) any applicable law.

Effect of lapse

- 11.4. Subject to Rule 11.2, upon an Option or Performance Right lapsing, all rights of a Participant under this Plan in respect of the Option or Performance Right cease and no consideration or compensation will be payable for or in relation to that lapse.

12. Pro rata issues, reconstructions of capital and take overs

Participation in new issues

- 12.1. A Participant may participate in new issues of securities to holders of Shares only if:
- (a) the Option has been exercised or Performance Right has vested; and
 - (b) a Share has been delivered in respect of the Option or Performance Right before the record date for determining entitlements to the new issue.
- 12.2. The Company must give notice to Participants of any new issue not less than 10 Business Days before the record date for determining entitlements to the issue.

Adjustment for bonus issues of Shares

- 12.3. If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):
- (a) the number of Shares which will be issued on the exercise of the Option or vesting of the Performance Right will be increased by the number of Shares which the Participant would have received if the Participant had exercised the Option or the Performance Right had vested before the record date for the bonus issue; and
 - (b) no change will be made to the Exercise Price.

Adjustment for rights issue

- 12.4. If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of the Option will be reduced according to the following formula:

$$\text{New exercise price} = \frac{O - \frac{E[P-(S+D)]}{N + 1}}$$

O = the old exercise price of the Option.

E	=	the number of underlying Shares into which one Option is exercisable.
P	=	the average market price per Share (weighted by reference to volume) of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
S	=	the subscription price of a Share under the pro rata issue.
D	=	the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
N	=	the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

Reconstructions

- 12.5. If there is any reconstruction of the issued share capital of the Company, then
- (a) the number of Performance Rights which each Participant has been granted; and/or
 - (b) the number of Options to which each Participant is entitled and/or the Exercise Price,
- must be reconstructed in a manner which will not result in any benefits being conferred on the Participants which are not conferred on Shareholders (subject to the provisions with respect to rounding of entitlements as sanctioned by the meeting of Shareholders approving the reconstruction of capital), but in all other respects, the terms of all Options and Performance Rights will remain unchanged.

Takeovers

- 12.6. If a takeover bid or other offer is made to acquire some or all of the issued Shares of the Company, the Board must give written notice to Participants of the takeover bid or other offer (**Takeover Notice**).

Compromise and arrangements

- 12.7. If, under Part 5.1 of the Corporations Act, the Court sanctions a compromise or arrangement proposed for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies which, if implemented, would result in a change in the Control of the Company, the Board must give written notice to Participants of the compromise or arrangement (**Reconstruction Notice**).
- 12.8. Upon receipt of a Takeover Notice or Reconstruction Notice, Participants will be entitled:

- (a) in the offer period referred to in the Takeover Notice or the notice period for the shareholders' meeting the subject of the Reconstruction Notice, to exercise all or any of their Options; and/or
 - (b) make a request to the Board to determine that all existing Performance Rights vest immediately and that Shares in respect of all such Performance Rights be provided to the Participant, in which case:
 - (i) the Board must process such a request as soon as possible (but no later than 30 days from receiving the request) with reference to the Performance Criteria relating to those Performance Rights; and
 - (ii) the Board may determine at its discretion the number (if any) of Performance Rights which shall vest in the Participant; and must provide that number of Shares to the Participant at soon as possible but not later than 30 days from making its determination under this sub-rule.
- 12.9. Upon receipt of a Takeover Notice or Reconstruction Notice, all Restrictions under this Plan are deemed to have been removed and the Participant shall be entitled to receive the consideration payable on acceptance of the takeover bid or offer.

Ability to exercise Options

- 12.10. The Participant may exercise all or any of their Options in accordance with Rule 12.8(a), regardless of whether or not:
- (a) the Exercise Conditions have been satisfied; or
 - (b) the first Exercise Date has arrived,
- provided that no Option will be capable of exercise later than the Last Exercise Date.

Aggregation

- 12.11. For the purposes of this Rule 12, if a number of Options are exercised simultaneously, or a number of Shares vest simultaneously, the number of Shares or fractions of Shares which are to be issued as a consequence, may be aggregated. Any fraction in that aggregate number only will be disregarded in determining the total entitlement of a Participant.

Calculations and adjustments

- 12.12. Any calculations or adjustments which are required to be made under this Rule 12 will be made by the Board and will, in the absence of manifest error, be final and conclusive and binding on the Participants.

Advice to Participants

- 12.13. The Board must give notice to each Participant of any adjustment to:
- (a) the number of Shares for which the Participant is entitled to subscribe upon exercise of an Option; and
 - (b) the Exercise Price per Share under an Option.

13. Share delivered under the Plan

Shares to rank equally

- 13.1. For the avoidance of doubt, Shares delivered under this Plan will rank equally with all existing Shares on and from the date of allocation in respect of all securities issues, rights issues, bonus share issues and dividends which have a record date for determining entitlements on or after the date of allocation of those Shares.
- 13.2. Rule 13.1 applies whether in relation to Shares allocated on the exercise of Options or the vesting of Performance Rights, or whether allocated directly to a Participant.

14. Operation of Plan

- 14.1. This Plan is administered by the Board who has power to:
- (a) make additional Rules for the operation of the Plan;
 - (b) determine appropriate procedures for administration of this Plan consistent with this Plan;
 - (c) resolve conclusively all questions of fact or interpretation in connection with this Plan; and
 - (d) delegate to any persons (including a committee of the Board) for such period and on such terms as they see fit the exercise of any of their powers or discretions under this Plan;
 - (e) take and rely on independent professional or expert advice in or in relation to the exercise of any of its powers or discretions under this Plan.
- 14.2. Where this Plan provides for a determination, decision, approval or opinion of the Board or the Company, that may be made or given by the Board or the Company in its absolute discretion.
- 14.3. Any power or discretion which is conferred on the Company by this Plan may be exercised by the Board 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.

15. Amendments to this Plan

Board may amend Plan

- 15.1. Subject to clauses 15.2 and 15.3, the Board may at any time by written instrument amend all or any part of this Plan including this provision.

No reduction of existing rights

- 15.2. Any amendment to this Plan must not materially reduce the rights of any Eligible Person in respect of their Shares, Options or Performance Rights held at the date of the amendment (as the case may be), unless the amendment is introduced primarily:
- (a) for the purpose of complying with or conforming to present or future applicable laws governing or regulating the maintenance or

- operation of this Plan or similar plans;
- (b) to correct any manifest error or mistake;
 - (c) to enable a Group Company to qualify for an income tax deduction for that Group Company or another Group Company;
 - (d) to enable a Group Company to reduce the amount of fringe benefits tax under the Fringe Benefits Tax Assessment Act 1986 (Cth), the amount of tax under the Tax Act, or the amount of any other tax or impost that would otherwise be payable by a Group Company in relation to this Plan;
 - (e) for the purpose of enabling the Eligible Persons generally (but not necessarily each Eligible Person) to receive a more favourable taxation treatment in respect of their participation in this Plan; or
 - (f) to enable this Plan or any Eligible Person of the Group to comply with the constitution of a Group Company, the Corporations Act or the Listing Rules.

Retrospective amendment possible

- 15.3. Subject to clause 15.2, any amendment may be given retrospective effect as specified in the written instrument by which the amendment is made.

16. Rights of Participants

- 16.1. This Plan:
- (a) does not confer on any Eligible Person the right to be offered or to receive any Shares, Options or Performance Rights, apart from those rights to receive Shares delivered pursuant to an exercise of Options or Performance Rights vesting in accordance with these Rules;
 - (b) does not confer on any Eligible Person the right to continue as an employee or director;
 - (c) does not affect a Participant's terms of engagement by the Company;
 - (d) does not affect any rights which the Company may have to terminate any terms of engagement or to remove the Participant from office as a director; and
 - (e) may not be used to increase damages in any action brought against the Company in respect of the termination of any engagement or removal of the Participant as a director from office.
- 16.2. Notwithstanding anything else in this Plan, the entitlements of Participants under this Plan are subject to the Company's constitution, the Listing Rules and the Corporations Act. Notwithstanding anything in this Plan, no Shares may be acquired, assigned or dealt with in contravention of the Corporations Act, the Listing Rules or any other applicable law.

17. Termination and suspension of this Plan

Board has discretion

- 17.1. The Board has the discretion to terminate or suspend the operation of this Plan.

Notice of termination or suspension

- 17.2. The Board must give written notice to any Eligible Person affected by termination or suspension of this Plan, as soon as reasonably practicable after such termination or suspension.

18. Connection with other schemes

Company may approve other schemes

- 18.1. The Board is not restricted to using this Plan as the only method of providing incentive rewards to employees. The Board may approve other incentive schemes.

Participation in other schemes

- 18.2. Participation in this Plan does not affect, and is not affected by participation in any other incentive or other scheme, unless the terms of that incentive or scheme provide otherwise.

19. General

Agreement to benefit and bind successors

- 19.1. This document continues for the benefit of, and binds, a successor in title of a Participant.

Waiver

- 19.2. The fact that the Company fails to do, or delays in doing, something the Company is entitled to do under this document, does not amount to a waiver of any obligation of, or breach of obligation by the Company. A waiver by the Company is only effective if it is in writing. A written waiver by the Company is only effective in relation to the particular obligation or breach in respect of which it is given. It is not to be taken as an implied waiver of any other obligation or breach or as an implied waiver of that obligation or breach in relation to any other occasion.

Governing law and jurisdiction

- 19.3. This document is governed by the laws of Victoria. Each Participant and the Company submits to the non-exclusive jurisdiction of the courts of Victoria and will not object to the exercise of jurisdiction by those courts, either for forum non-conveniens or on any other basis.

Cost and expenses

- 19.4. The Company must pay all expenses, costs and charges incurred in operating this Plan, except that the Company is not responsible for any

taxes which may become payable in connection with the allocation of Shares pursuant to an exercise of the Options or any other dealing with the Options of Shares.

20. Interpretation

- 20.1. In this document, unless the contrary intention appears:
- (a) headings are for ease of reference only and do not affect the meaning of this document;
 - (b) the singular includes the plural and vice versa and words importing a gender include other genders;
 - (c) other grammatical forms of defined words or expressions have corresponding meanings;
 - (d) a reference to a rule, paragraph, schedule, annexure or attachment is a reference to a rule or paragraph of or schedule, annexure or attachment to this document, and a reference to this document includes its schedules, annexure and attachments;
 - (e) a reference to a document or agreement, including this document, includes a reference to that document or agreement as novated, altered or replaced from time to time;
 - (f) a reference to 'A\$', '\$A', 'dollar' or '\$' is a reference to Australian currency;
 - (g) a reference to a specific time for the performance of an obligation is a reference to that time in Melbourne even if the obligation is to be performed elsewhere;
 - (h) words and expressions importing natural persons include partnerships, bodies corporate, associations, governments and governmental and local authorities and agencies, and vice versa;
 - (i) a reference to any legislation or statutory instrument or regulation is construed in accordance with the Acts Interpretation Act 1901 (Cth) or the equivalent State legislation, as applicable;
 - (j) if a day for the payment under this document falls on a day which is not a Business Day, payment is due on the next Business Day;
 - (k) if a provision of this document binds two or more parties, that provision binds those parties jointly and severally; and
 - (l) words and expressions used in this document and which are also used in the Corporations Act have the meaning given to them in the Corporations Act.

21. Definitions

- 21.1. **ASX** means Australian Securities Exchange Limited, or the market conducted by it.
- 21.2. **Associate** means a spouse or child of an employee of, director of or contractor to a Group Company, or a company that is controlled by such an employee, director or contractor or which is the trustee of any family trust in respect to which the employee, director or contractor is eligible to

- be a beneficiary.
- 21.3. **ATSC Settlement Rules** means the operating rules of ASX Settlement and Transfer Corporation Pty Limited (ABN 49 008 504 532).
- 21.4. **Board** means the Board of directors of the Company from time to time.
- 21.5. **Business Day** means a day on which banks (as defined in the *Banking Act 1959* (Cth)) are open for general banking business in Melbourne, excluding Saturdays and Sundays.
- 21.6. **Control** has the same meaning as is given to that term in Section 50AA of the Corporations Act.
- 21.7. **Company** means Praemium Limited (ACN 098 405 826).
- 21.8. **Corporations Act** means the *Corporations Act (Cth)* 2001.
- 21.9. **Date of Grant** means, with respect to an Option, the date on which the Board grants the Option to an Eligible Person.
- 21.10. **Directors** means the directors of the Company from time to time.
- 21.11. **Eligible Person** means a person who is eligible to participate in this Plan under Rule 2.1 and includes an Associate of a person referred to in Rule 2.1 where the context of this Plan so permits.
- 21.12. **Exercise Conditions** means the performance, vesting or other conditions determined by the Board from time to time which are required to be satisfied before an Option can be exercised.
- 21.13. **Exercise Period** means the period commencing on the First Exercise Date and ending on the Last Exercise Date.
- 21.14. **Exercise Price** means the amount payable by the holder of an Option on the exercise of the Option.
- 21.15. **First Exercise Date** means, unless otherwise specified in the Invitation, the earlier of:
- (a) the date which is 3 years from the Date of Grant; and
 - (b) the date on which Special Circumstances arise in respect of a Participant.
- 21.16. **Group** means the Company and any body corporate of which the Company is a holding company in terms of section 9 and Division 6 of Part 1.2 of the Corporations Act.
- 21.17. **Invitation** means an invitation to participate in this Plan and to apply for Shares, Options or Performance Rights (as the case may be) made under Rule 3.2 and for the avoidance of doubt, the terms of the Invitation constitute additional Rules made in accordance with Rule 14.1(a).
- 21.18. **Last Exercise Date** means, unless otherwise specified in the Invitation, the earlier of:
- (a) the date which is 7 years from the Date of Grant; or
 - (b) if Special Circumstances arise in respect of a Participant - 12 months after such Special Circumstances arise.
- 21.19. **Legal Personal Representative** means the executor of the will or an administrator of the estate of a deceased person or the trustee of the

- estate of a person under a legal disability.
- 21.20. **Listing Rules** means the official listing rules of ASX except to the extent of any express waiver by ASX.
- 21.21. **Notice of Exercise** means a duly completed and executed notice of exercise of an Option by a Participant, in the form prescribed and otherwise as required by the Board from time to time.
- 21.22. **Option** means an option to subscribe for Shares granted to an Eligible Person under this Plan.
- 21.23. **Participant** means a person who holds Shares, Options or Performance Rights allocated or granted under this Plan and means (a) if the Participant dies or becomes subject to a legal disability, the Legal Personal Representative of the Participant, and (b) where Participant is an Associate of an employee of, director of or contractor to a Group Company, and the context may require, that employee, director or contractor.
- 21.24. **Performance Criteria** means the criteria determined by the Board from time to time for assessing the performance of the Company and/or a Participant in accordance with Rule 8.1.
- 21.25. **Performance Period** means the period in which a Participant is required to satisfy the Performance Criteria in order for Performance Rights in respect of those Performance Criteria to vest.
- 21.26. **Performance Rights** mean the conditional entitlements to Shares granted to Eligible Persons under this Plan.
- 21.27. **Plan** means the Praemium Directors & Employee Benefits Plan established and operated in accordance with this document.
- 21.28. **Plan Shares** means shares delivered to Participant as a result of the exercise of an Option or the vesting of a Performance Condition.
- 21.29. **Restrictions** means the restriction during the Restriction Period on Participant's dealings with Shares allocated under this Plan as set out in Rule 9.2.
- 21.30. **Restriction Period** means the period commencing on the date that the Shares are provided to the Participant and ending 1 year from that date (or any other such period as the Board may determine at its absolute discretion and set out in the Invitation).
- 21.31. **Rules** means the rules governing the operation of this Plan set out in this document, as amended from time to time.
- 21.32. **Shares** means ordinary shares in the capital of the Company.
- 21.33. **Shareholder** means a holder of shares in the Company.
- 21.34. **Special Circumstances** means with respect to a Participant:
- (a) Total and Permanent Disablement;
 - (b) the death of the Participant;
 - (c) the redundancy of the Participant; or
 - (d) such other circumstances as the Board may at any time determine (whether before or after the Date of Grant).

- 21.35. **Starting Date** means the date on which this Plan is first adopted by the Board.
- 21.36. **Tax Act** means the Income Tax Assessment Act (1936) (Cth) or the Income Tax Assessment Act (1997) (Cth) including any amendments, as the case may be.
- 21.37. **Total and Permanent Disablement** means, in relation to a Participant, that the Participant has, in the reasonable opinion of the Board, become permanently incapacitated to such an extent as to render the Participant unlikely to engage in the Participant's usual occupation again.
- 21.38. **Transfer** includes sell, transfer, assign, encumber, dispose or otherwise deal with in any way.