

Employee Share Plan B Rules

HFA Holdings Limited

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1 Introduction

The purpose of the Plan is to increase employee motivation and create a stronger link between increasing shareholder value and employee reward by providing employees with the opportunity to participate in the growth of the Company.

The Plan is designed to permit employees of Group Companies to participate, at the invitation of the Company, in the acquisition of Shares.

2 Definitions and interpretation

2.1 Definitions

In these rules:

ASX means the Australian Stock Exchange Limited;

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

Company means HFA Holdings Limited ACN 101 585 737;

Employee means a person employed by a Group Company or other person the Board in its discretion determines to be eligible to participate in the Plan;

Group Company means the Company, its Subsidiaries and any other entity declared by the Board to be a member of the group for the purposes of the Plan;

Listing Rules means the official Listing Rules of the ASX as they apply to the Company from time to time;

Market Value of Shares means the weighted average of the prices at which Shares were traded on the ASX during the one week period up to and including the day upon which the market value is to be determined;

Participant means an Employee whose application to participate in the Plan has been accepted and who is allocated Shares under the Plan;

Plan means the HFA Holdings Limited Employee Share Plan B as set out in these rules, subject to any amendments or additions made under rule 8;

Restricted Share means a Share allocated under the Plan that is subject to restrictions under rule 6;

Share means a fully paid ordinary share in the capital of the Company allocated under this Plan;

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

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

2.2 Interpretation

In the Plan, the following rules apply unless a contrary intention appears:

- (a) headings are for convenience only and do not affect the interpretation of the Plan unless the context requires otherwise;
- (b) any reference in the Plan to any enactment or the Listing Rules includes a reference to that enactment or those Listing Rules as from time to time amended, consolidated, re-enacted or replaced and to all regulations or instruments issued under it;
- (c) any words denoting the singular include the plural and words denoting the plural include the singular;
- (d) any words denoting one gender include the other gender;
- (e) where any word or phrase is given a definite meaning in the Plan, any part of speech or other grammatical form of that word or phrase has a corresponding meaning;
- (f) a reference to a power, right or discretion being exercisable by the Board is taken to be a reference to that power, right or discretion being exercisable by a delegate of the Board; and
- (g) a reference to an application to participate in the Plan includes any process implemented by the Board to provide for deemed applications.

3 Invitation and application

3.1 Board discretion to make invitations

- (a) The Board may, from time to time, at its discretion, make invitations to Employees to participate in the Plan, which may:
 - (1) subject to rule 3.1(c), be in any form;
 - (2) relate to a specified number or specified value of Shares; and
 - (3) be:
 - (A) on any conditions, including that the Employee agree to sacrifice an amount of salary or bonus or other amount in relation to the acquisition of the Shares; or
 - (B) subject to any restrictions, including the imposition of restrictions relating to disposal of or dealing with the Shares,
 as the Board decides.
- (b) The Board is not obliged to make invitations of the same number of Shares to all Employees.
- (c) Without in any way limiting the Board's discretion, an invitation should provide the following information:
 - (1) the number or value of Shares being offered;
 - (2) the method of determining the price (if any) at which Shares will be offered;
 - (3) the period (if any) for which Shares are Restricted Shares;
 - (4) the final date for receipt of applications or elections not to participate (as the case may be);

- (5) instructions in relation to making an application to participate in the Plan; and
- (6) any specific terms and conditions which apply to the invitation.

3.2 Eligibility

An Employee is only eligible to apply for participation in the Plan and:

- (a) to purchase existing; or
- (b) be issued with new,

Shares under the Plan if he or she has satisfied criteria the Board from time to time decides for participation in the Plan (which may, without limiting the powers of the Board, include a minimum period of service or that he or she remain an Employee at the allocation date of Shares under the Plan).

3.3 Price of Shares

The Board may determine the price at which Shares will be offered to an Employee. Shares will be granted at no cost to the Participant unless the Board determines that Market Value or some other price is appropriate.

3.4 Application and Acceptance

- (a) An application to participate in the Plan must be made in accordance with the instructions which accompany the invitation or in any other way the Board decides.
- (b) The Board may accept or reject any application in its discretion.
- (c) If a person ceases to satisfy the eligibility requirements under rule 3.2 on or before the allocation of the Shares under rule 4, that person is not entitled to receive the Shares under the Plan.

3.5 Personal nature

An Employee may only apply for Shares in his or her name unless the Board determines otherwise.

3.6 Legal constraints

Despite any other rule, a person may not purchase or be issued Shares under the Plan if it appears to the Board that doing so would contravene these rules, the Company's constitution, the Listing Rules or any law of a jurisdiction in which the person resides or, at the Board's discretion, would give rise to unreasonable cost or regulatory requirements for the Company.

4 Funding and Acquisition

4.1 Board discretion

The Board may at any time decide that an offer should be made under the Plan, and that:

- (a) all, or any, Group Companies should pay specified amounts under the Plan, in respect of that offer and that each such Group Company will pay that amount as directed by the Company for this purpose;
- (b) Participants should pay specified amounts under the Plan as directed by the Company in respect of an invitation under the Plan; and
- (c) the Company may provide additional benefits in the form of Shares for any Participant based on the level of their participation on such terms as the Board determines.

4.2 Acquisition

- (a) Amounts paid by a Group Company or by a Participant in accordance with rule 4.1 are to be applied in acquiring Shares for allocation to Participants, whether:
 - (1) by subscribing for new Shares to be issued by the Company; or
 - (2) by purchasing existing Shares (whether on ASX, or otherwise), as directed by the Board.
- (b) A determination to subscribe for or purchase Shares will only be effective if the funds referred to in rule 4.1 are provided.

4.3 Advice to Participants

Each Participant will be advised of the number of Shares that have been allocated to him or her as soon as reasonably practicable following the date of allocation of the Shares.

4.4 Transaction costs

The Company is authorised, but not required, to bear all brokerage, commission, stamp duty or other transaction costs payable in relation to the acquisition of Shares by the Participants under the Plan.

4.5 Listing

The Company will, where shares in the same class as the Shares are quoted on ASX, apply to the ASX for quotation of Shares issued under the Plan at the end of the restriction period (if any) applicable to the Shares, unless otherwise required by the Listing Rules.

5 Entitlement to shares

- (a) Each Participant has a legal and beneficial interest in the Shares allocated to him or her pursuant to the Plan, except that any dealings with those Shares by the Participant may be restricted as provided in these rules.
- (b) Shares cannot be forfeited by the Participant for any reason.

6 Restriction on disposal of Shares

6.1 Restriction Period

- (a) A Share allocated to a Participant will be a Restricted Share until the earlier of:
 - (1) the end of 3 years after the date of allocation; and
 - (2) the time when the Participant ceases to be employed by a Group Company.
- (b) The Board may, in any circumstances and from time to time, determine another period permitted by relevant legislation for the purposes of Rule 6.1(a)(1).

6.2 Dealing with Restricted Shares

- (a) Subject to Rule 6.2(b) a Participant must not dispose of or otherwise deal or purport to deal with any Shares acquired under the Plan while they are Restricted Shares.
- (b) A Participant may use their Restricted Shares as security for a loan for the purpose of acquiring further Shares or for funding any tax liability arising in relation to the Restricted Shares where the Board has authorised the terms of the loan and the identity of the lender. For the avoidance of doubt, disposal of such Restricted Shares in accordance with the terms of the loan is permitted.

6.3 Enforcement of Restriction Period

The Company may implement any procedure it considers appropriate to restrict a Participant from dealing with any Shares acquired by a Participant for as long as those Shares are Restricted Shares.

6.4 Lapse of restrictions attaching to Shares

When a Share ceases to be a Restricted Share, all restrictions on disposing of or otherwise dealing or purporting to deal with that Share provided in or under these rules will cease.

7 Corporate actions

7.1 Reconstructions

Subject to the Listing Rules, if the Company reconstructs its capital in any way, Shares acquired under the Plan will be affected in the same way as other Shares.

7.2 Takeovers

If a Takeover Bid is made the Board may, in its discretion and having regard to applicable tax legislation, determine that any restrictions imposed in accordance with rule 5 cease at a time determined by the Board.

7.3 Mergers

If the Company merges with another company, the Board may, in its discretion and having regard to applicable tax legislation, determine that any restrictions imposed in accordance with rule 6 applying to Shares affected by the change, cease at a time determined by the Board.

8 Administration of the Plan

8.1 Board powers

The Board will administer the Plan and may:

- (a) delegate to any person for the period and on the terms it decides the exercise of any of its powers or discretions under the Plan;
- (b) decide on appropriate procedures for administering the Plan, including the form of application and other forms and notices to be issued under the Plan;
- (c) resolve conclusively all questions of fact or interpretation concerning the Plan and these rules and any dispute of any kind that arises under the Plan, including as to the interpretation of the Plan or any restrictions or other conditions relating to any Shares allocated under the Plan, and the decision of the Board is final and binding upon all persons;
- (d) subject to the Listing Rules and rule 8.3, amend, add to or waive all or any of the provisions of the Plan (including this rule), or any restriction or other condition relating to any Shares allocated under the Plan; and
- (e) waive any breach of a provision of the Plan.

8.2 Non-residents of Australia

The Board may adopt additional rules of the Plan applicable in any jurisdiction outside Australia under which Shares offered under the Plan may be subject to additional or modified terms, having regard to any securities, exchange control or taxation laws or regulations or similar factors which may apply to the Participant or to any Group Company in relation to the Shares. Any additional rule must conform to the basic principles of the Plan.

8.3 Limitation on amendments

Subject to these rules, without the consent of the Participant, no amendment may be made to any restriction or other condition relating to any Shares allocated under the Plan, which reduces the rights of Participants to those Shares, other than an amendment made primarily to:

- (a) comply with present or future State or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or similar plans;
- (a) correct any manifest error; or
- (b) take into consideration possible adverse tax implications in respect of the Plan arising from, among other things:
 - (1) adverse rulings from the Commissioner of Taxation;
 - (2) changes to tax legislation (including an official announcement by the Commonwealth of Australia); or
 - (3) changes in the interpretation of tax legislation by a court or tribunal of competent jurisdiction.

8.4 Board's Discretion

The Board has absolute and unfettered discretion:

- (a) to act or refrain from acting under these rules or concerning the Plan or any Shares allocated under the Plan; and
- (b) in exercising any power or discretion concerning the Plan or any Shares allocated under the Plan.

9 No compensation or damages

9.1 Terms of employment not affected

- (a) The rights and obligations of a Participant under the terms of his or her office, employment or contract with a Group Company are not affected by his or her participation in the Plan.
- (b) These rules do not form part of, and will not be incorporated into, any contract of a Participant (whether or not they are an employee of a Group Company).

9.2 No right to compensation

No Participant has any right to compensation or damages as a result of the termination of his or her office, employment or other contract with a Group Company for any reason, so far as those rights arise or may arise from the Participant ceasing to have rights under the Plan as a result of the termination.

10 Notices

- (a) A notice or other communication under or concerning the Plan is validly given:
 - (1) by the Company to a Participant, if delivered personally to the addressee or sent by prepaid post to his or her last known residential address, or sent to him or her by facsimile or email at his or her place of work or posted on an electronic noticeboard maintained by the Company and accessible by the Participant; and
 - (2) by a Participant to the Company if delivered or sent by prepaid post addressed to the company secretary of the Company at the Company's registered office (or any other address the Board specifies).
- (b) A notice or other communication sent by post will be treated as received 48 hours after it was posted.

11 Governing law

The Plan is governed by the laws of Victoria and the Commonwealth of Australia.