

# **Rules of Exempt Employee Share Plan**

Constellation Technologies Limited

Exempt Employee Share Plan

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# Rules of Constellation Technologies Limited Employee Share Plan

## 1. Definitions and interpretation

### 1.1 Definitions

In this Plan:

**Application Form** means an application form for Plan Shares, in or substantially in the form of the Schedule to these Rules or in such other form as the Directors from time to time prescribe;

**ASX** means ASX Limited ACN 008 624 691;

**Business Day** means a day that is not a Saturday, Sunday, public holiday or bank holiday in Melbourne;

**Company** means Constellation Technologies Limited ACN 009 213 754;

**Corporations Act** means the *Corporations Act 2001 (Cth)*;

**Directors** means the directors of the Company acting as a board of directors;

**Division 1A** means Division 1A of Part 7.12 of the Corporations Act.

**Eligible Employee** has the meaning given in rule 4.1;

**Employee** means a full-time or permanent part-time employee of the Company or a Group Company;

**Employee Contribution Amount** means a payment (by way of salary sacrifice or otherwise) required to be made by an Employee on application for Plan Shares as specified in an Invitation;

**Essential Features** means:

- (a) the consideration payable for the acquisition of the Plan Shares;
- (b) the number of Plan Shares offered;
- (c) the time for acceptance of an Invitation; and
- (d) the steps taken for the circulation of information about an Invitation.

**Exemption Conditions** means the exemption conditions set out in sections 83A-35 and 83A-45 of the Income Tax Assessment Act (as amended from time to time);

**Group Company** means a subsidiary of the Company (as defined in the Corporations Act);

**Holding Lock** has the meaning given to that term in the Listing Rules;

**Income Tax Assessment Act** means the *Income Tax Assessment Act 1997 (Cth)*;

**Invitation** means an invitation, in a form to be determined by the Directors from time to time, to an Employee inviting the Employee to participate in the Plan and to submit an Application Form;

**Issue Date** means the date of allotment of the Plan Shares or the date on which the Plan Shares are acquired on market on behalf of a participating Employee which must be within 28 days after the Employee Contribution Amount is received in full, unless the Directors otherwise determine;

**Listing Rules** means the Official Listing Rules of the ASX from time to time in force as they apply to the Company;

**Market Value** means (a) in respect of an allotment of new Shares by the Company, the weighted average of the prices at which the 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 or (b) in respect of Shares which are acquired on market for you by the Company, the actual price paid on market to acquire the relevant Shares;

**Permanent Employee** has the meaning given to that term in subsection 83A-35(6) of the Income Tax Assessment Act;

**Plan** means the plan constituted by these Rules and called the "Constellation Technologies Limited Exempt Employee Share Plan";

**Plan Share** means a Share allotted or acquired on market on behalf of a participating Employee pursuant to this Plan;

**Rules** means these rules governing the operation of the Plan set out in this document, as amended or varied from time to time pursuant to rule 9.2;

**Share** means a fully paid ordinary share in the capital of the Company; and

**Tax Year** means the 12 month period ending on 30 June each year.

## 1.2 Interpretation

In this Agreement, unless the context requires otherwise:

- (a) the singular includes the plural and vice versa;
- (b) a gender includes the other genders;
- (c) the headings are used for convenience only and do not affect the interpretation of this Agreement;
- (d) other grammatical forms of defined words or expressions have corresponding meanings;
- (e) the words "in writing" include any communication sent by letter, facsimile transmission or email or any other form of communication capable of being read by the recipient;
- (f) if something is to be or may be done on a day that is not a Business Day then it must be done on the next Business Day; and
- (g) money amounts are stated in Australian currency unless otherwise specified.

## 2. Commencement and termination

- (a) The Plan will commence on a date to be determined by the Directors.
- (b) The Plan will terminate on a date to be determined by the Directors.

### **3. Satisfaction of Exemption Conditions**

Plan Shares will be issued to or acquired by Permanent Employees under the Plan, provided the Plan and the Permanent Employees satisfy the requirements of subsections 83A-35(2), 83A-45(6) and 83A-45(7) of the Income Tax Assessment Act and shall otherwise satisfy the Exemption Conditions so as to permit the application of sections 83A-35 and 83A-45 of the Income Tax Assessment Act to Permanent Employees. Without limiting the foregoing, the Plan must be operated on a non-discriminatory basis within the meaning of that expression in subsection 83A-35(6) of the Income Tax Assessment Act.

#### **3.1 Eligibility and Invitations**

#### **3.2 Eligible Employees**

- (a) To be eligible to participate in the Plan and acquire Plan Shares, a person must be an Employee on the date of the Invitation and on the date that the Plan Shares are intended to be issued to the Employee and be an eligible participant under Division 1A.
- (b) An Employee is not eligible to participate in the Plan if, by participating in the Plan, the Employee would, immediately after the allotment or acquisition of Plan Shares:
  - (i) have acquired (and/or have the right to acquire) under this Plan, or another Company employee or executive share or rights plan, a beneficial interest in more than 10% of the issued share capital in the Company; and
  - (ii) be in a position to cast, or control the casting of, more than 10% of the maximum number of votes that might be cast at a general meeting of the Company.
- (c) The Company reserves the right to refuse to allow a particular Employee or a group of Employees to participate in the Plan in whole or in part.

#### **3.3 Conduct of the Plan to be non-discriminatory**

The Plan must be conducted on a non-discriminatory basis, by satisfying the following conditions:

- (a) Participation in the Plan is open to at least 75% of Permanent Employees;
- (b) The time for acceptance of each Invitation is reasonable; and
- (c) The Essential Features of each Invitation are the same for at least 75% of Permanent Employees.

#### **3.4 Invitation to apply for Plan Shares**

- (a) The Directors may at any time issue an Invitation to an Employee.
- (b) An Invitation:
  - (i) may be subject to any conditions (except to the extent that the Eligible Employee would have a real risk of losing the Plan Share and contravene s.83A-35(7) of the Income Tax Assessment Act) or restrictions that the Directors determine;
  - (ii) may require the Employee to pay an Employee Contribution Amount;

- (iii) must include an Application Form; and
- (iv) is personal to the recipient of the Invitation.

### **3.5 Application for Plan Shares**

- (a) An Employee wishing to apply for Plan Shares must submit a signed and completed Application Form to the Company by the date specified in the Invitation.
- (b) Upon receipt of an Application Form from an Employee, the Directors must either accept or reject the Application Form.

## **4. Allocation of Shares**

### **4.1 Allotment or Acquisition of Shares**

Upon acceptance by the Directors of an Application Form and subject to receipt of the Employee Contribution Amount (if any) specified in an Invitation, the Company must:

- (a) On the Issue Date and subject to rule 6.2:
  - (i) allot to the Employee the number of Plan Shares calculated in accordance with the following formula:

$$A = \frac{\$1,000}{B}$$

where:

- A = the number of Plan Shares which must be allotted to the Employee, rounded down to the nearest whole Share;
- B = the Market Value of a Share, calculated as at the Issue Date;

or

- (ii) acquire on market on behalf of the Employee the number of Plan Shares calculated in accordance with the following formula:

$$A = \frac{\$1,000}{B}$$

where:

- A = the number of Plan Shares which must be acquired on behalf of the Employee, rounded down to the nearest whole Share;
- B = the Market Value of a Share on the Issue Date;

- (b) As soon as reasonably practicable after the Issue Date, notify the Employee of the number and Market Value of Plan Shares allotted to, or acquired on behalf of, the Employee in the current Tax Year.

### **4.2 Issue or purchase of Shares**

Plan Shares may be acquired by the Company by purchasing Shares on the ASX or by the Company issuing Shares.

### **4.3 Maximum number of Plan Shares**

The aggregate Market Value (calculated as at the Issue Date) of all Plan Shares allotted to, or acquired on behalf of, an Employee in a Tax Year must not exceed \$1,000.

### **4.4 Rights attaching to Plan Shares**

The Plan Shares will:

- (a) Be registered on the principal register of the Company, unless the Directors determine otherwise;
- (b) Carry the same entitlements as all other Shares in relation to all rights issues, bonus share issues, dividends and other distributions; and
- (c) Be subject to any restrictions or other conditions set out in the Plan or determined by the Directors.

### **4.5 Quotation on the ASX**

The Company must apply for official quotation on the ASX of any Plan Shares which are not already quoted on the ASX within the time required by the Listing Rules.

## **5. Salary Sacrifice**

### **5.1 Authorisation to reduce salary**

- (a) By submitting an Application Form, an Employee authorises the Company to deduct the Employee Contribution Amount from the Employee's gross (pre-tax) salary to be dealt with and applied towards the issue price of the Employee's Plan Shares.
- (b) Upon acceptance by the Directors of an Application Form, the Company must reduce the Employee's gross (pre-tax) salary in the manner specified in the Application Form.

### **5.2 Allotment or Acquisition of Shares**

The Company must not allot Shares to, or acquire Shares on behalf of, an Employee unless and until the Employee Contribution Amount has been received from the Employee in full.

## **6. Disposal restrictions**

### **6.1 No disposal**

An Employee must not sell, transfer, encumber or otherwise deal with a Plan Share, or any legal or beneficial interest in a Plan Share, until the earlier of:

- (a) The end of the period of 3 years after the Issue Date; and
- (b) The time when the Employee ceases to be an Employee.

### **6.2 Holding Lock**

For as long as the disposal restrictions under rule 7.1 apply:

- (a) The Company may implement any procedure it considers appropriate to restrict an Employee from dealing with any Plan Shares acquired by the Employee; and

- (b) Without limiting rule 6.2(a), each Employee:
  - (i) agrees that each Plan Share will be subject to a Holding Lock; and
  - (ii) undertakes not to request (or allow another person to request) removal of the Holding Lock.

### **6.3 Takeovers**

Notwithstanding rule 6.1, if:

- (a) A takeover bid is made or other formal scheme is proposed for the acquisition of some or all of the Shares;
- (b) The bid or scheme satisfies the requirements of s.83A-130 of the Income Tax Assessment Act;
- (c) Acceptance of the bid or scheme is recommended by the Directors; and
- (d) The Directors resolve to remove the disposal restrictions under rule 6.1,

an Employee may accept the bid or scheme, on such terms as the Employee decides, in respect of some or all of the Employee's Plan Shares.

### **6.4 Capital reconstruction**

In the event of any reconstruction of the capital of the Company (including consolidation, sub-division, reduction or return of capital), the number of Shares to which each Employee is entitled will be reconstructed in the manner specified by the Listing Rules as applicable at the Issue Date.

## **7. Employees bound by Plan Rules**

An Employee who receives Plan Shares is bound by these Rules.

## **8. Administration**

### **8.1 Powers of Directors**

This Plan will be administered by the Directors who shall have power to:

- (a) Determine appropriate procedures for the administration of the Plan, which are consistent with these Rules;
- (b) Waive any breach of the Rules;
- (c) Resolve conclusively all questions of fact or interpretation in connection with the Plan; and
- (d) 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 the Plan.

### **8.2 Variation of the Plan**

The Directors may amend, suspend and/or terminate this Plan (**Variation**) provided the Variation does not adversely affect the rights or obligations of Employees who were allotted



or acquired Plan Shares pursuant to the Plan prior to the termination or suspension, unless the Variation:

- (a) Is to correct a manifest error;
- (b) Is to comply with the Listing Rules or any other applicable law;
- (c) Is to take into consideration possible adverse tax implications for the Plan as a result of, among other things:
  - (i) adverse rulings from the Commissioner of Taxation;
  - (ii) changes to the Income Tax Assessment Act;
  - (iii) changes in the interpretation of the Income Tax Assessment Act by a court or tribunal; or
- (d) Is made for other reason and the Company provides appropriate compensation to the relevant Employees so that those Employees are no worse off as a result of the Variation than before the Variation.

### **8.3 Discretion of Directors**

The Directors have an absolute and unfettered discretion:

- (a) To act or refrain from acting; and
- (b) In exercising any power or discretion,

under these Rules or concerning the Plan or any Plan Shares.

### **8.4 Non-residents of Australia**

The Directors may prescribe additional Rules to be applicable to Employees who are non-residents of Australia for the purposes of the Income Tax Assessment Act or any other applicable legislation.

## **9. Duties, taxes and transaction costs**

### **9.1 Transaction costs**

The Company may bear all brokerage, commission, stamp duty or other transaction costs payable in relation to the allotment or acquisition of Plan Shares.

### **9.2 Other duties and taxes**

Subject to rule 9.1, the Company is not responsible for any duties or taxes which are or may be payable by an Employee as a consequence of the Employee being allotted or acquiring Plan Shares.

### **9.3 Withholdings and payments**

The Company may make any withholding or payment which it is required by law to make in connection with the Plan.

## **10. Maximum number of Plan Shares**

The Company must take reasonable steps to ensure that the aggregate of the number of:

- (a) Shares which would be issued if all outstanding Invitation in respect of Shares under this Plan, or any other Company employee share scheme, were accepted; and
- (b) Shares which have been issued under this Plan or any other employee incentive plan of the Company during the previous 3 years,

excluding Invitations made or Shares issued by way of or as a result of:

- (c) An Invitation to a person situated at the time of the Invitation outside this jurisdiction;
- (d) An Invitation that did not need disclosure to investors under s.708 of the Corporations Act;
- (e) An Invitation that did not require the giving of a Product Disclosure Statement because of s.1012D of the Corporations Act; or
- (f) An Invitation made under a disclosure document or Product Disclosure Statement,

does not exceed 5% of the issued Shares of the Company.

## **11. Power of Attorney**

### **11.1 Appointment of attorney**

- (a) By submitting an Application Form, an Employee irrevocably appoints the Company and every Director severally as the attorney of the Employee to do all acts and things and sign all documents with respect to:
  - (i) completing details necessary or desirable for processing the Application Form;
  - (ii) the allotment or acquisition of Plan Shares; and
  - (iii) any other matter necessary or desirable for giving effect to the Plan.
- (b) An attorney appointed pursuant to this rule 11.1 has power to appoint such other persons, as the attorney thinks fit, as attorney or attorneys for and on behalf of the Employee, without giving the Employee any notice of such appointment.

### **11.2 Ratification**

Each Employee who submits an Application Form hereby ratifies and agrees to confirm all acts and things lawfully done by the attorney or attorneys pursuant to this power.

### **11.3 Indemnity**

Each Employee who submits an Application Form releases, indemnifies and agrees to keep indemnified, to the maximum extent permitted at law, each attorney from all liability arising from the exercise of this power.

## **12. General**

### **12.1 Governing law**

The Plan is governed by and must be construed in accordance with the laws in force in Victoria.

### **12.2 Notices**

Any notice or other communication to or by a party under this Agreement:

- (a) May be given by personal service, post, email or facsimile;
- (b) Must be in writing, legible and in English addressed (depending on the manner in which it is given) as shown below:
  - (i) if to the Company, its registered office from time to time;
  - (ii) if to an Employee, to the Employee's address, email address or facsimile number as specified in the Invitation,

or to any other address last notified by the party to the sender by notice given in accordance with this rule 12.2;

- (c) Is deemed to be given by the sender and received by the addressee:
  - (i) if delivered in person, when delivered to the addressee;
  - (ii) if posted, 2 Business Days (or 6, if addressed outside Australia) after the date of posting to the addressee whether delivered or not; or
  - (iii) if sent by email or facsimile transmission, on the date and time shown on the transmission report by the machine from which the facsimile was sent which indicates that the facsimile was sent in its entirety and in legible form to the facsimile number of the addressee notified for the purposes of this rule 12.2,

but if the delivery or receipt is on a day which is not a Business Day or is after 4.00 pm (addressee's time), it is deemed to have been received at 9.00 am on the next Business Day.

# Constellation Technologies Limited – Exempt Employee Share Plan

## Application Form

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TO: The Directors  
Constellation Technologies Limited

I refer to the Invitation to participate in the Constellation Limited Exempt Employee Share Plan (**Plan**).

I acknowledge that I have read and agree to be bound by the Plan Rules. I acknowledge that the Company is not required to provide me with any Plan Shares under the Plan Rules. If Plan Shares are allotted to me, or acquired by the Company on my behalf, I accept them on and subject to the terms and conditions of the Company’s constitution and the Plan Rules, and in particular, I consent to the disposal restrictions (including a Holding Lock) which will be imposed upon the Plan Shares under the Plan Rules.

The Company has advised me to obtain professional advice in relation to the potential tax consequences of participating in the Plan.

**I hereby apply for Plan Shares with a Market Value of \$1,000.**

### Employee Details

Surname:	<input type="text"/>
Given names:	<input type="text"/>
Address:	<input type="text"/>
	<input type="text"/>

Signature:

Date: