

Rules of the MyState Limited Employee Share Plan

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Contents

1. Purpose	3
2. Definitions and Interpretation.....	3
3. Eligibility	5
4. Participation.....	5
5. Cessation of Participation	6
6. Allocation of Shares	7
7. Maximum Number of Shares.....	8
8. Ranking and Reconstruction of Shares.....	9
9. Restrictions on Sale or Transfer of Shares	9
10. Amendment.....	9
11. Plan Termination	9
12. Powers of the Board.....	10
13. Powers of the Plan Administrator.....	10
14. Contracts of Employment and Other Employment Rights	10
15. Notices	11
16. Plan Costs	11
17. Operation of the Plan	11
18. General.....	11
19. Governing Law	11

MyState Limited

(ABN 26 133 623 962)

MYSTATE LIMITED EMPLOYEE SHARE PLAN RULES

1. Purpose

The purpose of the MyState Limited Employee Share Plan is to:

- (a) assist in the retention and motivation of employees of MyState Limited or any related body corporate by providing employees with the opportunity to participate as shareholders of MyState Limited; and
- (b) create a culture of share ownership amongst employees of MyState Limited and its related bodies corporate.

2. Definitions and Interpretation

2.1 In these Rules, unless the contrary intention appears:

Application Form means the form that the Board determines is to be used by Eligible Employees to apply to participate in the Plan.

ASX means Australian Securities Exchange Limited or the financial market operated by Australian Securities Exchange Limited (as the context requires).

Base Salary means the gross base remuneration of a Participant to which the Participant would be entitled but for the operation of this Plan.

Board means all or some of the Directors of MyState Limited acting as a board or the person or persons to whom the board has delegated all or any of its powers.

Bonus means the amount of an annual cash bonus that may be payable by the Company to a Participant in respect of a Year but for the operation of this Plan.

Company means MyState Limited ABN 26 133 623 962 or any related body corporate.

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

Eligible Employee means an employee of the Company who is eligible to participate in the Plan pursuant to Rule 3.1.

Executive Officer means a person who is concerned in or takes part in the management of the Company.

Holding Lock has the same meaning as under the Listing Rules.

Law means the applicable law of every jurisdiction that may apply in relation to the Plan.

Listing Rules means the official listing rules of the ASX as they apply to the Company for the time being.

Offer means an invitation made under Rule 4.1 to an Eligible Employee to participate in the Plan.

Participant in respect of any Year means an Eligible Employee who participates in the Plan in respect of that Year.

Plan means the MyState Limited Employee Share Plan as set out in these Rules, as altered or added to under Rule 10.

Plan Administrator means the person appointed by the Board to carry out the day to day administration of the Plan.

Relevant Value in relation to a Participant in respect of a Year means the amount determined by the Board under Rule 4.2.

Rules means the rules of the Plan set out in this document, as amended from time to time.

Share means a fully paid ordinary share in MyState Limited.

Year means the period of twelve calendar months commencing on 1 July each year or such other period as the Board determines at its discretion.

2.2 In these Rules, unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) the masculine gender shall include the feminine and neuter genders and vice versa;
- (c) a reference to a person includes the legal personal representative of that person and also corporations and other entities recognised by Law;
- (d) reference to a clause or paragraph is a reference to a clause or paragraph of these Rules, or the corresponding Rule or Rules of this Plan as amended from time to time;
- (e) headings are for convenience only and do not affect the interpretation of these Rules;
- (f) references to the Corporations Act, any Law or the Listing Rules includes that Law or the Listing Rules as amended, re-enacted or replaced and any Law or any Listing Rule that supersedes that Law or any Listing Rule (as the case may be);
- (g) references to the Corporations Act, any Law includes any legislation, statutory instrument, regulation, binding determination and ruling made in connection with that Law; and

(h) references to any word or expression defined in the Corporations Act has the meaning given to it in the Corporations Act.

- 2.3 If any part of these Rules is held in law to be void, voidable, unenforceable or illegal, that provision shall be deemed modified to the extent required to comply with that law or, if necessary, shall be severed from the rest of the Rules and the remainder of the Rules shall have full force and effect.

3. Eligibility

- 3.1 Full-time and permanent part-time employees who have completed six (6) ¹months of continuous service with the Company shall be eligible to participate in the Plan. Such other employees of the Company as the Board at its discretion may determine shall also be eligible to participate in the Plan.
- 3.2 The Board may determine at any time that any Eligible Employee shall not participate in the Plan if the Eligible Employee is a participant under any other share or option plan operated by the Company or if the Eligible Employee's participation would be unlawful.

4. Participation

- 4.1 Subject to these Rules, the Board may invite an Eligible Employee to complete an Application Form to accept an Offer to participate in the Plan in respect of a Year.
- 4.2 The Board shall at its discretion determine in respect of the Year specified in the Application Form:
- (a) the amount (if any) that the Company at its discretion determines to contribute to the Plan in respect of a Participant in respect of that Year; and
 - (b) if the amount to be contributed by the Company pursuant to Rule 4.2(a) is less than \$1,000, the amount (if any) of an Eligible Employee's Base Salary and/or Bonus which, as a result of the participation of the Eligible Employee in the Plan, is not to be paid to the Eligible Employee in respect of the Year specified in the Application Form, which amount may be varied from time to time,
- provided that the amount determined for the purposes of this Rule 4.2 must not in total exceed \$1,000 or such other amount as determined by the Board.
- 4.3 Where any contributions made pursuant to Rule 4.2 are to be accumulated over more than one pay period before being applied to the allocation of Shares under Rule 6, such contributions must be held in trust for Participants in an Australian bank account until Shares are allocated in respect of those contributions under Rule 6.
- 4.4 The Company agrees to make contributions to the Plan in respect of an Eligible Employee of an amount equal to the amount determined in respect of that Eligible Employee under Rule 4.2.

¹ Eligibility period reduced in 2017 to six months

- 4.5 An Offer to an Eligible Employee shall be in writing and shall specify:
- (a) the date of the Offer;
 - (b) the closing time and date for the acceptance of the Offer;
 - (c) the minimum holding period in relation to the Shares allocated under the Plan;
 - (d) the acquisition price of the Shares calculated in accordance with the formula contained in Rule 6.1, were the formula applied at the date of the Offer;
 - (e) an explanation of the way in which MyState Limited will, during the period of the Offer, upon request by an Eligible Employee make available to the Eligible Employee the current market price of the Shares and the acquisition price of the Shares calculated in accordance with the formula in Rule 6.1, were the formula applied at the date of the Eligible Employee's request;
 - (f) the Australian ADI where contributions for the purposes of the Plan are held;
 - (g) the length of time they may be held;
 - (h) the rate of interest payable (if any) on the contributions held in the account; and
 - (i) any other terms and conditions relating to the Offer which in the opinion of the Board are fair and reasonable and not inconsistent with these Rules.
- 4.6 An Offer must include or be accompanied by a copy, or a summary, of the Rules. If a summary (rather than a copy) of the Rules is given, the Offer must include an undertaking that during the period during which an Eligible Employee may acquire the financial products offered, MyState Limited will, within a reasonable period of the Eligible Employee requesting, provide the Eligible Employee with a copy of the Rules without charge.
- 4.7 An Eligible Employee accepts the terms of an Offer by completing and signing the appropriate Application Form and returning it to the company secretary of MyState Limited, or any other person notified by the Board in its absolute discretion, by the time and date specified in the Offer. By accepting an Offer, the Eligible Employee agrees to be bound by these Rules.
- 4.8 An Eligible Employee becomes a Participant in the Plan upon receipt by MyState Limited of an Eligible Employee's acceptance of an Offer in accordance with Rule 4.7 and the Board resolving to accept the Eligible Employee as a participant in the Plan.

5. Cessation of Participation

- 5.1 A Participant may, by request in writing to the Board, cease to participate in the Plan at any time. Such cessation shall be effective as from the commencement of the payroll period following the payroll period in which the Board receives and accepts the written cessation request.
- 5.2 A Participant shall cease to participate in the Plan and shall cease to be a Participant upon ceasing to be an Eligible Employee for any reason.

- 5.3 With effect from the date a Participant ceases to participate in the Plan pursuant to Rule 5.1 or Rule 5.2:
- (a) no further contributions will be made to the Plan in respect of the Participant;
 - (b) no Shares will be allocated to the Participant in relation to any contributions made to the Plan pursuant to Rule 4.2 that have not been applied to the allocation of Shares under Rule 6;
 - (c) the amount of any contributions made to the Plan pursuant to Rule 4.2(b) including accumulated interest to which the Participant is entitled (if any) that has not been applied to the allocation of Shares under Rule 6 will be paid to the Participant by the Company after deduction of the appropriate income tax;
 - (d) the Participant shall not be entitled to any contributions made to the Plan pursuant to Rule 4.2(a) that have not been applied to the allocation of Shares under Rule 6 as at the date the Participant ceases to participate in the Plan; and
 - (e) where the Participant has ceased to be an Eligible Employee, the Participant shall be paid a portion of the amount determined in respect of that Participant under Rule 4.2(b) as part of his Base Salary for the payroll period during which the Participant ceased to be an Eligible Employee, with the portion to be paid calculated on a pro-rata basis according to the number of days worked in that payroll period.

6. Allocation of Shares

- 6.1 Subject to Rule 6.2 and Rule 6.3, in each Year a Participant shall be allocated such number of Shares, or less at the discretion of the Board, as is determined in accordance with the following formula:

$$A \div B$$

where:

A is the Relevant Value; and

B is the weighted average of the prices at which Shares were traded on the ASX during the 5 trading days up to and including the day on which Shares are allocated to a Participant in accordance with the Rules, or such other amount as may be determined by the Board at its absolute discretion.

- 6.2 Shares may be allocated in accordance with Rule 6.1 at such time or times during the Year as may be determined by the Board at its absolute discretion, provided that Shares may be allocated in respect of contributions made under Rule 4.2(a) and Rule 4.2(b) at different times during a Year.
- 6.3 Where Shares are allocated more than once during a Year in respect of contributions made under either (or both) Rule 4.2(a) or Rule 4.2(b), the Relevant Value to be used at **A** in the formula in Rule 6.1 at each allocation date shall be adjusted to reflect the portion of the Year to which the relevant contributions that are to be applied to the allocation of Shares at that date relate.

- 6.4 The Company must provide funds to the Plan Administrator or any other person to fund the purchase of Shares on the ASX or issue Shares for the purposes of the Plan as soon as practicable after the date determined by the Board in its absolute discretion. The purchase of Shares on the ASX is subject to compliance with the provisions of the Corporations Act including but not limited to the insider trading provisions.
- 6.5 Shares purchased or issued are to be acquired by the Plan Administrator on behalf of the Participant for whom they were purchased or issued and registered in the name of that Participant but held in the Plan subject to these Rules. The Participant shall be the beneficial owner of the Shares.
- 6.6 Where the number of Shares to be allocated under this Rule 6 is not a whole number, the number shall be rounded down to the nearest whole number.

7. Maximum Number of Shares

- 7.1 Shares must not be allocated under this Plan if the number of Shares to be allocated would, when aggregated with:
- (a) the number of Shares which would be issued if each outstanding offer to acquire unissued Shares or units of Shares and options to acquire unissued Shares or units of Shares, being offers made or options acquired pursuant to an employee share or options scheme extended only to employees or directors of the Company and its associated bodies corporate, were accepted or exercised (as the case may be); and
 - (b) the number of Shares issued during the previous five (5) years pursuant to any employee share or option scheme extended only to employees or directors of the Company and its associated bodies corporate,
- but disregarding any offer made, or option acquired or Share issued by way of or as a result of:
- (a) an offer to a person situated at the time of receipt of the offer outside of Australia; or
 - (b) offers that were excluded offers or invitations within the meaning of the Corporations Law as it stood prior to 13 March 2000; or
 - (c) an offer that did not need disclosure because of section 708 of the Corporations Act (or a previous equivalent) including offers to Executive Officers; or
 - (d) an offer that did not require the giving of a product disclosure statement because of section 1012D of the Corporations Act; or
 - (e) an offer made under a disclosure document or product disclosure statement,
- exceed 5% of the total number of issued Shares of the Company as at the time Shares are offered under this Plan.
- 7.2 Shares may not be allocated under this Plan to the extent that, immediately following the allocation, the Participant would hold a legal or beneficial interest in more than five percent (5%) of the Shares in MyState Limited.

- 7.3 Shares may not be allocated under this Plan to the extent that, immediately following the allocation, the Participant would be in a position to cast, or control the casting of, more than five percent (5%) of the maximum number of votes that might be cast at a general meeting of MyState Limited.

8. Ranking and Reconstruction of Shares

- 8.1 Shares allocated under the Plan shall rank equally with all other existing Shares in all respects, including voting rights and entitlement to participate in dividends and in future rights and bonus issues.
- 8.2 If MyState Limited reconstructs its capital in any way, Shares allocated under the Plan will be affected in the same way as other Shares.

9. Restrictions on Sale or Transfer of Shares

- 9.1 A Participant may not sell or transfer any Shares allocated to that Participant under the Plan before the earlier of:
- (a) the end of a period of three years after the time of allocation of the Shares; and
 - (b) the time when the Participant ceases to be an employee of the Company.
- 9.2 MyState Limited may administer its register of members, and do all things necessary or desirable, for the purpose of preventing a breach of Rule 9.1. Without limiting the generality of the foregoing, MyState Limited may apply a Holding Lock to prevent any Share being sold, transferred, withdrawn, or otherwise being dealt with or refuse to register a transfer of a Share acquired under the Plan that would involve a breach of Rule 9.1.

10. Amendment

- 10.1 MyState Limited may at any time by written instrument or by resolution of the Board amend all or any of the provisions of these Rules (including this Rule 10.1). Notwithstanding the foregoing provision, no amendment is to reduce the rights of a Participant in respect of Shares issued or purchased on behalf of the Participant under this Plan prior to the date of the amendment.
- 10.2 No amendment may be made except in accordance with and in the manner stipulated (if any) by Law and the Listing Rules.

11. Plan Termination

- 11.1 MyState Limited may at any time by written instrument or by resolution of the Board, terminate the Plan in whole or in part in respect of some or all of the Employees, without any liability whatsoever on the Company for any such complete or partial termination, provided that no action may be taken to reduce the rights of an Employee in respect of Shares issued or purchased under this Plan on behalf of a Participant prior to the date of the termination of the Plan, whether in whole or in part, as the case may be.

12. Powers of the Board

- 12.1 The Plan shall be managed by the Board which shall have power to:
- (a) determine appropriate procedures for the administration of the Plan consistent with these Rules, including the form of Application Forms and other forms and notices to be issued under the Plan;
 - (b) resolve conclusively all questions of fact or interpretation arising in connection with the Plan and these Rules and any dispute of any kind that arises under the Plan;
 - (c) appoint and remove the Plan Administrator and determine the terms and conditions of the Plan Administrator's appointment;
 - (d) exercise discretions expressly conferred on it by these Rules or which may otherwise be required in relation to the Plan; and
 - (e) 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.
- 12.2 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.
- 12.3 Notwithstanding Rule 12.2, any power or discretion under these Rules may be exercised in the interests or for the benefit of the Company, and the Board is not, in the exercise of such a power or discretion, under any fiduciary or other obligation to any other person.
- 12.4 The Plan shall take effect on and from such date as the Board may resolve.

13. Powers of the Plan Administrator

The Plan Administrator shall administer the Plan in accordance with these Rules and any procedures determined by the Board and agreed to as between the Board and Plan Administrator.

14. Contracts of Employment and Other Employment Rights

- 14.1 It is a condition of these Rules that the Plan may be suspended or terminated at any time at the discretion of MyState Limited and that no compensation under any employment contract will arise as a result.
- 14.2 The value of the Shares shall not increase a Participant's income for the purpose of calculating any other employee benefits.

- 14.3 Participation in the Plan shall not confer on any Participant any right to current or future employment.

15. Notices

Any notice or direction given under these Rules is validly given if it is handed to the person concerned or sent by ordinary prepaid post to the person's last known address or given in any manner which the Board from time to time determines.

16. Plan Costs

- 16.1 With the exception of brokerage fees when Shares are sold, taxes, withholding tax and any other governmental imposts, a Participant will not be liable for any costs associated with the implementation and administration of the Plan unless the Board at its discretion determines otherwise. If the Board so determines otherwise, the Board must inform the Participant prior to making any such deduction.
- 16.2 The Company will pay or reimburse all expenses incurred by the Plan Administrator in connection with the Plan.

17. Operation of the Plan

The Plan shall be operated in accordance with these Rules which bind the Company and each Participant.

18. General

- 18.1 Notwithstanding any Rule, Shares may not be issued, purchased, allocated, transferred or dealt with under the Plan if to do so would contravene the Corporations Act, the Listing Rules, or any other applicable Laws.
- 18.2 Where Shares may not be issued, purchased, allocated, transferred or dealt with as outlined in Rule 18.1, the Company will pay the Participant an amount equal to the amount determined in respect of that Participant under Rule 4.2.

19. Governing Law

The laws of Tasmania govern these Rules.