

**GREENCROSS LIMITED**

**ABN 58 119 778 862**

**EMPLOYEE LOAN PLAN  
PLAN RULES**

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## **1 INTRODUCTION**

### **1.1 Purpose of plan**

The Company has established this Plan to encourage Employees to share in the ownership of the Company, in order to promote the long-term success of the Company as a goal shared by the Employees.

### **1.2 Risks and Implications**

There are risks associated with participation in the Plan. These include the risk that the acquired Plan Shares in the Company will lose value and that Participants may not benefit from their investment in Plan Shares. Employees should ensure that they understand the risks before accepting an invitation to participate in the Plan.

Participation in the Plan has tax and financial implications and may have social security implications. Participants should consult their tax, financial or other professional advisers.

## **2 INVITATIONS TO PARTICIPATE**

### **2.1 Board's discretion to make Invitations**

The Board may from time to time invite any Employee to participate in the Plan (including Employees who are already or have been previously a Participant). The Board has an absolute discretion in determining whether to make an Invitation to an Employee, when to make an Invitation and the number of Plan Shares (if any) for which an Employee is invited to subscribe.

### **2.2 Form of Invitation**

An Invitation shall be in writing signed by a Director of the Company and shall specify:

- (a) the total number of Plan Shares for which the Employee may subscribe;
- (b) the Subscription Price or method for calculating the subscription price for a Plan Share;
- (c) the terms and conditions of any Financial Assistance offered;
- (d) the Performance Hurdles (if any) applicable to the invitation;
- (e) the time within and the method by which the invitation may be accepted, and
- (f) any other terms or conditions the Board may think fit (including any terms or conditions required to obtain any necessary or desirable shareholder approval under the ASX Listing Rules or the Corporations Act).

### **2.3 Minimum parcel**

An Invitation must be for a minimum parcel of twenty five thousand (25,000) Plan Shares and an Employee must accept at least a minimum parcel of twenty five thousand (25,000) Plan Shares or a number of Plan Shares being a multiple of twenty five thousand (25,000).

## **3 ACQUISITION OF PLAN SHARES**

### **3.1 Acceptances**

- (a) An Invitation may be accepted in whole or in part by the invited Employee signing and returning the Acceptance Form attached to the Invitation to the person nominated in the Invitation, together with a duly completed application for Financial Assistance.
- (b) By accepting an Invitation, the Participant agrees to be bound by these Rules and the constitution of the Company.

### **3.2 Allotment**

- (a) Subject to receipt of any necessary shareholder approvals or satisfaction of any other conditions specified in the Invitation, the Board shall, upon the later of receipt of the duly completed Acceptance Form and a duly completed application for Financial Assistance allot to the Participant the number of Plan Shares applied for, credited as fully paid up.
- (b) Under no circumstances will shares be allotted under this Rule 3.2, if to do so would be in breach of the Corporations Act or ASX Listing Rules.
- (c) As soon as practicable after the allotment of Plan Shares by the Board to a Participant, the Company shall issue share certificates or holding statements in the name of the allottee in respect of the Plan Shares so allotted.

### **3.3 Restrictions and ASX quotation**

- (a) While any Plan Shares are pledged as security for Financial Assistance pursuant to Rule 5, or are subject to Performance Hurdles, any transactions involving Plan Shares or Corporate Actions will be restricted.
- (b) Participants shall not grant any additional Security Interest in or over or otherwise dispose of or deal with any such Plan Shares or Corporate Actions and any such Security Interest or disposal or dealing will not be recognised in any manner by the Company.
- (c) The Company will impose a holding lock on any such Plan Shares or Corporate Actions, and by accepting an Invitation, the Participant consents to the imposition of a holding lock and shall, if the Company requests, confirm that consent to the ASX or any other person who needs the consent to make it effective.

## **4 FINANCIAL ASSISTANCE**

### **4.1 Application for Financial Assistance**

A Participant may apply to the Company for Financial Assistance to finance the Participant's subscription for Plan Shares.

### **4.2 When to make application**

An application for Financial Assistance shall be made at the time of returning to the Company the Acceptance Form for an Invitation to subscribe for Plan Shares.

### **4.3 Form of application**

Each application for Financial Assistance shall be made on a form approved by the Company duly completed and signed by the Participant and shall be subject to receipt of any necessary shareholder approval under the ASX Listing Rules or under the Corporations Act. The Company shall set out in the form of application the terms and conditions of the Financial Assistance, which shall be supplemental to, and not inconsistent with, the terms and conditions contained in this Rule 4.

### **4.4 Acceptance and terms**

The Company may accept an application for Financial Assistance by making a loan to the Participant (Borrower), on the terms of and subject to such conditions as are set out in the application form and in these Rules. In any event, the Company will not accept an application for Financial Assistance under this Rule 4.4, if to do so would be in breach of the Corporations Act, and the relevant Participant shall have no right of recovery or damages against the Company for any failure or any inability to provide the Financial Assistance.

### **4.5 When Financial Assistance repayable**

When any of the following events occurs the Financial Assistance is repayable by the Borrower:

- (a) At the election of the Borrower once the Performance Hurdles have been satisfied;
- (b) Resignation;
- (c) Dismissal;
- (d) Special Circumstances;
- (e) Termination of the Plan under Rule 10; or
- (f) The expiry of 60 months from the date on which the Financial Assistance is provided.

#### **4.6 Amount repayable**

If Financial Assistance provided to a Borrower becomes repayable, then the Company shall accept in full and complete satisfaction of the Borrower's indebtedness and obligations to it under the Plan:

- (a) if the Performance Hurdles have been satisfied or in Special Circumstances:
  - (i) the total amount of all moneys owing by the Borrower to the Company under the Plan; or
  - (ii) where Rule 4.7 applies, the redelivery or deemed redelivery under the security in Rule 5 of the Plan Shares and Corporate Actions of the Borrower to the Company; or
- (b) in all other circumstances the Borrower must redeliver and forfeit the Borrower's Plan Shares and Corporate Actions to the Company. However, where the circumstances of Rule 4.7 obtain then this paragraph (b) shall operate as for paragraph (a) (ii).

#### **4.7 Limited recourse**

For the avoidance of any doubt, if Financial Assistance becomes repayable pursuant to Rule 4.6 and the value of the Plan Shares and Corporate Actions is less than the total amount of moneys owing by the Borrower to the Company under the Plan then Rule 4.6(a)(ii) applies and no further amount of moneys shall be repayable by the Borrower to the Company under this Plan and no further amount shall at any time be recoverable by the Company from the Borrower in respect of the shortfall.

#### **4.8 Surplus on sale**

If the Company sells under Rule 4.6(a)(i) any Plan Shares and Corporate Actions pursuant to the security in Rule 5 in order to pay any money owing by the Borrower to the Company and the proceeds of sale exceed the total amount owing to the Company by the Borrower, then the surplus shall be paid by the Company to the Borrower.

### **5 SECURITY FOR FINANCIAL ASSISTANCE**

#### **5.1 Security**

As security for Financial Assistance, a Borrower must grant to the Company at the time the Financial Assistance is provided to the Borrower:

- (a) a pledge of the Plan Shares acquired by the Borrower; and
- (b) a charge over:
  - (i) all Corporate Actions; and

- (ii) all other monies paid or payable on those Plan Shares or Corporate Actions.

## **5.2 Other Security**

The Borrower must not create other than in favour of the Company any Security Interest over any Plan Shares or Corporate Actions whilst they are subject to the restrictions of the Plan. Should the Borrower attempt to create such a Security Interest the Borrower will be taken to have automatically redelivered the Plan Shares and Corporate Actions to the Company as full settlement of any outstanding Financial Assistance and have no further entitlement under the Plan.

## **5.3 Terms of security**

The terms of the security referred to in this Rule 5 will be set out in the form of application for Financial Assistance approved by the Company.

## **6 ALTERATION OF TERMS AND PROVISIONS OF PLAN**

**6.1** Subject to the ASX Listing Rules and the Corporations Act, the Company may make such alterations, variations, additions, deletions or modifications to all or any of the provisions of these Rules or to all or any of the rights or obligations of the Participants or any of them as may be determined by the Board from time to time. However, no such alteration, variation, addition, deletion or modification shall be made if it would have the effect of depriving the holders of issued Plan Shares of any rights to which they are then entitled unless approved by 75% of the then holders of Plan Shares affected by such a change or unless the amendments are required by law.

**6.2** The Company shall within a reasonable period afterwards give each Participant notice of any actions taken under Rule 6.1.

## **7 PERIOD OF PLAN**

The Plan shall commence upon its approval by the Board, or by a committee appointed to complete the approval of the Plan on behalf of the Board, subject to approval by members of the Company in general meeting and shall continue until terminated by resolution of the Board at any stage.

## **8 EXPENSES**

The Company will meet the ongoing administration expenses of the Plan. The Participant will meet all outgoings and expenses in selling or otherwise dealing with his or her Plan Shares or Corporate Actions while subject to the Plan.

## **9 SHARES SUBJECT OF PLAN**

Subject to any limitations which may be required under the ASX Listing Rules or the Corporations Act, the maximum number of Plan Shares subject to the Rules shall not exceed 20% of the issued capital of the Company.

## 10 TERMINATION OF PLAN

The Board may terminate the Plan at any time. If the Board elects to do so, then all outstanding Performance Hurdles will be deemed satisfied, the Financial Assistance will be repayable and Rule 4.6 (a) will apply.

## 11 ADMINISTRATION OF PLAN

The Board has the power to:

- (a) determine appropriate proceedings for administration of the Plan consistent with these Rules; and
- (b) conclusively resolve all questions of fact or interpretation arising in connection with the Rules and this Plan, generally.

## 12 INTERPRETATION

### 12.1 Definitions

In these Rules:

**“Acceptance Form”** means a form of acceptance of an Invitation under Rule 2 and the form of which is approved by the Board from time to time.

**“Associates”** has the meaning given in section 995-1(1) of the Income Tax Assessment Act 1997.

**“Associated Company”** means a body that is a related body corporate of the Company in terms of section 50 of the Corporations Act.

**“ASX”** means Australian Securities Exchange as currently managed by ASX Limited ACN 008 624 691.

**“Board”** means some or all of the board of directors of the Company acting as a board, as constituted from time to time, and includes a committee or representative of the board as established by the board of directors of the Company from time to time for the purpose of making decisions as required under this Plan.

**“Borrower”** means a Participant who receives Financial Assistance.

**“Company”** means Greencross Limited, ABN 58 119 778 862.

**“Control”** has the meaning given in section 50AA of the Corporations Act.

**“Corporate Actions”** means future bonus shares, rights, or other equity interests issued by the Company in respect of Plan Shares.

**“Corporations Act”** means the Corporations Act 2001 (Cth) (as amended).

**“Date of Allotment”** means the date on which Plan Shares are allotted to a Participant pursuant to the provisions of these Rules.

**“Director”** means a director of the Company or (if applicable) any Associated Company.

**“Dismissal”** means the termination of employment of a Participant for a reason which entitles the Company or an Associated Company to dismiss the Participant without notice or for committing any act of fraud, defalcation or gross misconduct in relation to the affairs of the Company or any Associated Company (whether or not charged with an offence) or doing any act which in the reasonable opinion of the Board brings the Company or any Associated Company into disrepute.

**“Employee”** means a permanent full-time or permanent part-time employee of the Company or any Associated Company or a Director or an independent contractor who enters into a contract for services with Company.

**“Financial Assistance”** means a loan made to a Borrower on the terms and conditions of these Rules to enable the Borrower to subscribe for Plan Shares.

**“Invitation”** means an invitation to join the Plan completed in accordance with Rule 2.2.

**“Participant”** means an Employee who has accepted an Invitation to participate in the Plan and who agrees to be bound by these Rules.

**“Performance Hurdles”** means any performance criteria, vesting scale and/or other criteria (if any), that are determined by the Board and notified to the invited Employee with an Invitation under Rule 2. Performance Hurdles are required to be met before Plan Shares, to which such Invitation relates, may be withdrawn from the Plan by the Participant. Performance Hurdles may be reduced or waived in whole or in part at any time by the Board and notified to the Participant.

**“Plan”** means the 'Greencross Limited Employee Loan Plan' established and operated in accordance with these Rules.

**“Plan Shares”** means ordinary shares in the Company each carrying the same dividend rights and otherwise ranking pari passu in all respects with the issued ordinary shares of the Company.

**“Resignation”** means the termination of an Employee's engagement as an employee by the volition of the Employee, but does not include Dismissal or resignation by the Employee from employment with the Company or any subsidiary company in order to become an employee of the Company or any subsidiary company or taking approved study leave or approved leave of absence.

**“Rules”** means the rules governing the Plan in relation to Participants set out in this instrument, as amended from time to time.

**“Security Interest”** means a mortgage, charge, pledge, lien or other encumbrance of any nature.

**“Special Circumstances”** means:

- (a) death of the Participant;
- (b) circumstances which, in the opinion of the Board, constitute total and permanent disablement of the Participant;
- (c) termination of a Participant's employment with the Company or with an Associated Company which, in the opinion of the Board, occurs by reason of either:
  - (i) a restructure or state of affairs within the Company or its Associated Company whereby the position previously being occupied by the Participant no longer exists within the Company or its Associated Company; or
  - (ii) the Associated Company that employs a Participant ceasing to be an Associated Company;
- (d) the Board determines that there are circumstances which have occurred or are likely to occur which will result in significant changes to the structure or Control of the Company which may adversely affect the rights of or value of Plan benefits to Participants, and gives written notice of such determination to the Participant;
- (e) If:
  - (i) offers are made to acquire the whole of the issued ordinary share capital of the Company (or such part thereof as is not at the time owned by the offeror or any company controlled by the offeror or Associates of the offeror) and after the announcement of the general offer the offeror (and any such companies or Associates) acquires Control of the Company; or
  - (ii) offers are made to acquire the whole of the issued ordinary share capital of the Company (or such part thereof as aforesaid) by any person who (together with any company controlled by such person or Associates of the person) has Control of the Company; or
  - (iii) a resolution for a members' voluntary winding up of the Company is passed (other than for the purpose of a reconstruction or amalgamation).

**“Subscription Price”** in respect of a Plan Share means:

- (a) if there was at least one transaction on the ASX in fully paid ordinary shares in the capital of the Company during the one week period before the date of the Invitation referred to in Rule 2 – the volume weighted average of the prices at which those shares were traded on the ASX during the one week period before that date; or
- (b) if there were no such transactions on the ASX in that one week period in such shares - the last price at which an offer was made on the ASX in that period to buy such a share.

## **12.2 Construction**

In these Rules, unless expressed to the contrary:

- (a) terms defined in the Corporations Act have the same meaning in these Rules;
- (b) words importing:
  - (i) the singular include the plural and vice versa;
  - (ii) any gender include the other genders;
- (c) if a word or phrase is defined cognate words and phrases have corresponding definitions;
- (d) a reference to:
  - (i) a person includes its legal personal representatives, successors and assigns;
  - (ii) a statute, ordinance, code or other law includes regulations and other statutory instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
  - (iii) a right includes a benefit, remedy, discretion, authority or power;
  - (iv) an obligation includes a warranty or representation and a reference to a failure to observe or perform an obligation includes a breach of warranty or representation;
  - (v) “\$” or “dollars” is a reference to the lawful currency of Australia;
  - (vi) this or any other document includes the document as varied or replaced and notwithstanding any change in the identity of the parties; and
  - (vii) any thing (including, without limitation, any amount) is a reference to the whole or any part of it and a reference to a group of things or persons is a reference to any one or more of them.

### **12.3 Headings**

Headings do not affect the interpretation of these Rules.