



9 Spokes International Limited

Employee Share Option Scheme

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Document control

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PART I – NON-TAX ADVANTAGED OPTIONS

1. PURPOSE

This is the 9 Spokes international Limited Employee Share Option Scheme. The purpose of the Scheme is to incentivise employees and allow the Company to attract and retain key employees by granting them a right to participate in the equity of the Company.

2. INTERPRETATION

2.1 Definitions: In this Scheme:

Definition	Meaning
Act	the Companies Act 1993.
Board	the board of directors of the Company from time to time.
Breach	a breach of: <ul style="list-style-type: none">• the Company’s constitution;• the Listing Rules; or• any statute or regulation.
Business Day	Monday to Friday, other than any public holiday within the meaning of section 44 of the Holidays Act 2003 that occurs in Auckland, or any public holiday in the city where the Employee is located.
Company	9 Spokes International Limited, company number 3538758.
Employee	a person who has any directorship, employment or service contract with the Company or any of its subsidiaries.
Exercise Price	the exercise price per Share set out in the Offer Letter (adjusted for any of the matters clause referred to in clause 8).
Expiry Date	the expiry date set out in the Offer Letter
Issue Date	the issue date set out in the Offer Letter.
Liquidity Event	(a) a change in the beneficial ownership of 50% or more of the Shares in the Company as a result of a single transaction; (b) the sale of all, or substantially all, of the assets of the Company; or

(c) the Takeover of the Company,

provided that, for these purposes, none of the following is to constitute a change in the beneficial ownership of those Shares:

(d) the change of one or more trustees of any trust which holds, directly or indirectly, any Shares;

(e) the transfer of any Shares or shares in any person who owns Shares (directly or indirectly) from a person or trust to a person wholly owned and controlled by that transferor; or

(f) the transfer of any Shares or shares in any person who owns Shares (directly or indirectly) from a person to a person or trust who wholly owns and controls that transferor.

Listing Rules	the listing and/or other rules of any stock exchange on which securities in the Company are quoted.
Offer Letter	the letter from the Company offering options to subscribe for Shares in the Company under the Scheme.
Options	the number of options set out in the Offer Letter (adjusted for any of the matters referred to in clause 8), each being a right to subscribe for one Share at the Exercise Price.
Participant	a person who holds one or more Options.
Scheme	the 9 Spokes International Limited Employee Share Option Scheme, the terms of which are set out in this document.
Share	an ordinary share in the Company.
Takeover	the acquisition of a controlling interest in 50% or more of the Shares of the Company, the acquisition of the Company by another entity, the amalgamation of the Company with any other entity or the Company entering into any transaction which changes the essential nature of its business.
Vest	the right to exercise an Option which arises on the vesting date of that Option as set out in the Vesting Schedule or the deemed vesting date as described in clause 7.10, as the case may be, and Vested has a corresponding meaning.

- Vesting Condition** any time-based requirement or other condition (if any and as specified in an Offer Letter and determined by the Board in its sole and absolute discretion) that must be met prior to Options Vesting.
- Vesting Schedule** the Vesting Schedule set out in the Offer Letter.

2.2 Interpretation:

- a A reference to:
- i a **clause** is to a clause of the Scheme;
 - ii a **person** includes bodies corporate, unincorporated associations or partnerships;
 - iii **including** and similar words do not imply any limitation;
 - iv a statute includes references to that statute as amended or replaced from time to time; and
 - v **\$ or dollars** is to New Zealand currency.
- b The headings in the Scheme are for convenience only and have no legal effect,
- c The singular includes the plural and vice versa.

3. APPROVALS

Each grant of Options is subject to receipt of any approvals required under the Listing Rules.

4. OFFERS OF OPTIONS

The Board may make an offer of Options to an existing or prospective Employee. Each offer will:

- a be in writing;
- b attach a copy of the Scheme and an Options certificate; and
- c specify:
 - i the number of Options to be granted;
 - ii the Issue Date;
 - iii the Vesting Schedule;
 - iv the Exercise Price;

- v the Expiry Date; and
- vi the date by which the offer may be accepted.

5. MAXIMUM NUMBER OF OPTIONS

The maximum number of Options that may be granted to existing or prospective Employees under this Scheme is limited to such number as is consistent with the Listing Rules.

6. ACCEPTANCE OF OFFERS

- 6.1 **Date for acceptance:** An existing or prospective Employee who wishes to accept an offer of options must return to the Board a completed letter of offer within two weeks after the date of the offer.
- 6.2 **Terms:** In accepting an offer of Options, an existing or prospective Employee accepts those Options on the terms and conditions of the Scheme.

7. VESTING AND EXERCISE OF THE OPTIONS

- 7.1 **Vesting of Options:** Subject to clause 7.10, the Options will Vest progressively in accordance with the Vesting Schedule. Subject to clause 7.3, the Participant may exercise an Option that has Vested at any time during the period commencing on the date on which the Option Vested and ending on the Expiry Date.
- 7.2 **Expiry:** Any Option that is not exercised on or prior to the Expiry Date lapses on the Expiry Date.
- 7.3 **Exercise:** An Option that has Vested may be exercised by the Participant, unless:
 - a the Board considers that the exercise would give rise to a Breach; or
 - b the Options have lapsed under the terms of the Scheme.
- 7.4 **Exercise process:** A Participant may exercise all or part of that Participant's Options by:
 - a subject to clause 7.10, providing at least 10 Business Days' written notice to the Board in the form set out in the Appendix to the Scheme;
 - b paying to the Company the Exercise Price in respect of each of the Options being exercised on or before the date set out in the notice provided to the Company in accordance with clause 7.4a, in cleared funds and into the nominated bank account of the Company; and
 - c providing to the Company the Participant's option certificate.
- 7.5 **Issue:** Subject to clause 7.10, within five Business Days after the date on which the Board receives a notice of exercise and payment is made in accordance with clause 7.4, the Board will issue Shares to the Participant unless clause 7.3 prevents the exercise of the Options

(and if so the Board will give notice to the Participant and refund the payment made under clause 7.4).

- 7.6 **Notice from Board:** If a Participant has been prevented under clause 7.3a from exercising an Option, the Board will give notice to the Participant promptly after it considers that the exercise would no longer give rise to a Breach.
- 7.7 **Failure to pay:** If the Participant fails to pay the Exercise Price in accordance with clause 7.4b, unless otherwise determined by the Board, the Participant's entitlement to those Options lapses, even though the Expiry Date of those Options may not have passed.
- 7.8 **No distribution:** By holding Options, the Participant is not, except as provided in clauses 8 and 9, entitled to participate in any distribution nor any issue of shares or other securities in or in respect of the Company other than the Shares to be issued upon the exercise of the Options under the Scheme.
- 7.9 **No transfer:** The Options are personal to the Participant and are not transferable without the approval of the Board, which approval may be withheld in the Board's absolute discretion.
- 7.10 **Liquidity Event:** In the event of a Liquidity Event, all Options will become exercisable and any Vesting Conditions in respect of some or all Options held by a Participant will be deemed to be satisfied as at the time immediately prior to the Liquidity Event, such that holders of Vested Options may participate in any offer arising as a result of a Liquidity Event. The Board will give notice to the holders of Vested Options in sufficient time to enable those holders of those Vested Options to exercise their Options prior to the relevant offer period expiring.

8. ADJUSTMENTS

- 8.1 **Rights Issue:** There will be no adjustment to the Exercise Price or the number of Shares to be issued on the exercise of Options if the Company makes a rights issue before the exercise of an Option.
- 8.2 **Restructure:** The Board will, in accordance with rule 7.22 of the Listing Rules, adjust the number of Options, the Exercise Price, and/or take any other steps it considers equitable, if
- a there is any bonus issue, consolidation or subdivision of any Shares or any reduction or cancellation of share capital (or any similar reorganisation of the capital of the Company); or
 - b the Company amalgamates with another company,

to ensure that the economic effect of the Options before and after the relevant event remains the same. Any other rights of the Participant will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of reorganisation but in all other respects the terms for the exercise of the options will remain unchanged.

8.3 **Notice of adjustments:** Whenever the number of Shares subject to an Option or the Exercise Price is adjusted in accordance with this Scheme, the Company will give notice of the adjustment to the Participant holding the Option.

9. TERMS OF ISSUE OF SHARES

A Share issued as a consequence of the exercise of an Option will be credited as fully paid and will rank for dividends from the date it is issued and will otherwise rank equally in all respects with the other Shares of the Company then on issue. It is acknowledged that the Company may have issued or may in the future issue any other class of shares ranking in any or all respects in priority to the Shares.

10. CANCELLATION OF OPTIONS

10.1 **Participant ceases to provide services:** If the Participant ceases to provide services to the Company for any reason:

- a all Options that have not Vested as at the date that the Participant ceases to provide services (**Leaving Date**) will be cancelled without compensation on that date, unless the Board determines otherwise; and
- b all Options that have Vested as at the Leaving Date must be exercised during the three month period following the Leaving Date, and any Options not exercised within that period will lapse, unless the Board determines otherwise.

11. AMENDMENTS

11.1 **Amendments:** Subject to clause 11.3 and receipt of any necessary approvals under the Listing Rules, the Board may amend the Scheme:

- a if it considers that the interests of the Employees affected are not materially prejudiced; or
- b with the prior written consent of Employees holding (in aggregate) at least 75% of the options on issue at the date of the amendment.

11.2 **Termination:** Subject to clause 11.3, the Board may terminate the Scheme.

11.3 **Breach:** The Board:

- a may not amend or terminate the Scheme if the amendment or termination would give rise to a Breach; but
- b despite clauses 11.1 and 11.2, may amend or terminate the Scheme if the Board considers the amendment or termination would avoid giving rise to a Breach.

11.4 **Notice to Employees:** The Board will give notice of any amendment to or termination of the Scheme to all Employees affected.

12. GENERAL

12.1 **Confidentiality:** Each party must keep the Scheme, and information it receives about the Company and its business in connection with the Scheme (Confidential Information) confidential, and must not use or disclose that Confidential Information without the prior written consent of the other parties except to the extent that:

- a disclosure is required by law;
- b the relevant information is already in the public domain; or
- c it is reasonably required in connection with any proposed:
 - i financing of that party;
 - ii sale of that party's interest in the Company; or
 - iii sale of all or part of the business of, or the shares in, that party,
 - iv and the party receiving the Confidential Information has entered into confidentiality undertakings substantially the same as those set out in this clause.

12.2 **Notices:** All notices and communications given under this Scheme must be in writing and will be delivered to the recipient personally, sent by post or sent by email to the address or email address from time to time designated by the recipient. Unless any other designations are given, the notice details of the Company and a Participant are those set out in the relevant letter of offer. Any notice or communication given under this Scheme will be deemed to be validly given:

- a in the case of delivery, when received;
- b in the case of posting, on the second day following the date of posting; or
- c if emailed, one hour after the email is sent unless a return mail is received by the sender within that one hour period stating that the addressee's email address is wrong or that the message cannot be delivered,

provided that any notice received after 5 pm on a Business Day or on any day that is not a Business Day will be deemed to have been received on the next Business Day.

12.3 **Administration:** The Scheme will be administered by the Board. The Board will have power to:

- a delegate to any person (and revoke any delegation of) for such period and on such terms as it sees fit, the exercise of any of its powers or discretion; and
- b resolve conclusively all questions of fact, construction, interpretation or ambiguity in connection with the terms of operation of this Scheme and the terms of Options granted under the Scheme.

12.4 **Waiver:** No exercise or failure to exercise or delay in exercising any right or remedy will constitute a waiver by the Company of that or any other right or remedy available to it.

12.5 **Governing law and jurisdiction:** The Scheme will be governed by New Zealand law.

PART II – UK PARTICIPANTS (EMI OPTIONS)

1. ADDITIONAL DEFINITIONS

1.1 The following additional definitions apply for the purposes of Part II namely:

"Dealing Day" means any day on which the Australian Securities Exchange is open for the transaction of business;

"Disqualifying Event" means any disqualifying event as set out in sections 533 to 536 of ITEPA;

"Eligible Employee" has the same meaning as in Part 4 of Schedule 5;

"Group" means the Company and its Subsidiaries and Group member shall be construed accordingly;

"ITEPA" means the Income Tax (Earnings and Pensions) Act 2003;

"Qualifying Company Share Option" means an option granted by any Group member to acquire shares pursuant to a plan qualified under Schedule 4 ITEPA;

"Qualifying Option" means an Option which satisfies the requirements of paragraph 1 of Schedule 5 which is granted as a qualifying option on the Issue Date pursuant to Part II of this Scheme;

"Schedule 5" means Schedule 5 to ITEPA;

"Subsidiary" has the same meaning given to that expression in section 5(1) of the Act, but read as if the expression "company" in that section included any body corporate incorporated or registered in any jurisdiction"

"Tax Charge" means all forms of taxation, including employee's and employer's National Insurance contributions, income tax and any other imposts of whatever nature, whenever created or arising and whether of the United Kingdom or any other jurisdiction together with any other amount whatsoever, without limitation, payable by any Group member or in respect of which any Group member has a duty to account as a result of any laws of any jurisdiction relating to taxation;

"Withholding Liability" means the liability of the Company or any Group member to account for any Tax Charge in relation to an Option howsoever arising but including on its grant or exercise.

1.2 This Part II is part of the Scheme and incorporated therein by reference. Each Qualifying Option shall comply with the provisions of this Part II and with all other provisions of Part I not inconsistent with this Part II. Any capitalized term not defined in this Part II shall have the meaning set forth in Part I.

2. GRANT OF QUALIFYING OPTIONS

- 2.1 The Board may grant Options as Qualifying Options if the following additional conditions are satisfied:
- 2.1.1 a Qualifying Option shall only be granted to an individual who is an Eligible Employee;
 - 2.1.2 a Qualifying Option shall only be granted for commercial reasons in order to recruit or retain an Eligible Employee and not as part of a scheme or arrangement the main purpose or one of the main purposes of which is the avoidance of tax;
 - 2.1.3 a Qualifying Option must be capable of being exercised within 10 years of the Issue Date;
 - 2.1.4 a Qualifying Option shall be designated as such on the Issue Date and granted in the form of an option agreement between the Company and the Participant which satisfies the requirements of paragraph 37 of Schedule 5 and references made to an Options certificate in Part I shall be construed accordingly in this Part II.

3. LIMITS – QUALIFYING OPTIONS

- 3.1 No Qualifying Option shall be granted if following such grant the total value of Shares subject to unexercised Qualifying Options exceeds £3 million or such other limit as may be specified in Schedule 5.
- 3.2 No Qualifying Option shall be granted to a person if, following such grant, the total market value of shares which a Participant may acquire pursuant to all unexercised Qualifying Options and Approved Company Share Options (in each case granted to him by reason of his employment with any Group member) would exceed £249,999 or £1 less than such other limit as may be specified by Schedule 5.
- 3.3 For the purposes of Rule 3 of this Part II total value and market value will be determined in accordance with paragraphs 5(6) to 5(8) and 7(6) of Schedule 5 and the market value of Shares subject to a Qualifying Option, at a time when the Shares are listed on the Australian Securities Exchange, shall be taken to be the middle-market quotation of such shares on the Dealing Day last preceding the Issue Date.
- 3.4 Any Qualifying Option will be treated as an Option which is not a Qualifying Option to the extent the above limits are exceeded. Where Options are granted simultaneously in breach of the limit in Rule 3.1, paragraph 7(5) of Schedule 5 will apply to determine the extent to which the Options are Qualifying Options.

4. NO TRANSFER

- 4.1 No Option granted subject to this Part II shall be transferrable and shall immediately lapse and cease to be exercisable if the Participant transfers, assigns, mortgages, charges or otherwise disposes of the Option, deals with it, or purports or attempts to do any one or more such thing

5. CEASING TO BE A QUALIFYING OPTION

If an Option ceases to be a Qualifying Option it will continue as if it had been granted as an Option which is not a Qualifying Option.

6. WITHHOLDING OBLIGATIONS

6.1 No Option shall be exercisable and no obligation shall arise upon the Company to grant an Option or procure the issue or transfer of Shares or transfer Shares to and/or do any other thing in relation to a Participant under or in connection with this Scheme (together “Company Action”) unless and until the Company is satisfied in its absolute discretion that either:

6.1.1 such Participant has made payment, or has made arrangements satisfactory to the Company for the payment to it and/or to any Group member, of such sum as is, sufficient to settle any Withholding Liability in any jurisdiction which is or would be recoverable from such person as a result of such Company Action or the exercise of an Option and in respect of which the Company and/or Group member is liable to account (in any jurisdiction); or

6.1.2 such person has entered into an agreement with it and/or any such Group member (in a form satisfactory to the Company) to ensure that such a payment is made by the Participant.

7. ADDITIONAL TERMS

7.1 The Participant shall do all such things as may be reasonably required by the Company for the purposes of ensuring that the Option remains a Qualifying Option and to join with the Company in giving notice of the grant of the Qualifying Option to HM Revenue & Customs as required in accordance with Part 7 of Schedule 5.

7.2 Where a participant has options granted pursuant to Parts I and II on otherwise identical terms and the options have not vested as to 100%, the performance condition shall be applied so as to treat the options granted pursuant to Part I as lapsing to the fullest extent possible in priority to options granted pursuant to this Part II.

PART III – US PARTICIPANTS (INCENTIVE STOCK OPTIONS AND NONSTATUTORY STOCK OPTIONS)

Approved by Shareholders on 22 August 2016

1. APPLICABILITY

- 1.1 **U.S. Options.** This Part III of the Scheme shall apply to and govern each Option granted to a U.S. Eligible Person (each such Option, a "**U.S. Option**").
- 1.2 **Incorporation.** This Part III is part of the Scheme and incorporated therein by reference. Each U.S. Option shall comply with the provisions of this Part III and with all other provisions of Part I not inconsistent with this Part III. Any capitalized term not defined in this Part III shall have the meaning set forth in Part I.
- 1.3 **Holding.** In no event shall any Shares with respect to a U.S. Option be held in a trust outside of the United States, including without limitation any employees' share ownership trust established by the Company.

2. ADDITIONAL DEFINITIONS

- 2.1 The following additional definitions apply for the purposes of this Part III:

"**Affiliate**" means any subsidiary of the Company that under the rules of Sections 414(b) and 414(c) of the Code would be treated as a single employer with the Company.

"**Code**" means the U.S. Internal Revenue Code of 1986 as from time to time amended and in effect, or any successor statute as from time to time in effect.

"**ISO**" means a U.S. Option that is an "incentive stock option" within the meaning of Section 422 of the Code.

"**NSO**" means a U.S. Option other than an ISO, also referred to as a "nonstatutory stock option." Each U.S. Option shall be deemed to have been designated an NSO by its terms unless the Board, at the Issue Date, expressly designates it as an ISO.

"**U.S. Eligible Person**" means an individual eligible to receive an Option under the provisions of Part I (i) who provides substantial services to the Company or to an Affiliate, and (ii) whom the Board determines to be, or whom the Board at time of grant of the Option expects to become, a U.S. tax resident.

"**U.S. Option**" means an Option granted pursuant to this Part III. The term "U.S. Option" includes both ISOs and NSOs.

3. GRANT OF U.S. OPTIONS

- 3.1 **Grantor; Eligibility.** Only the Company, as authorized by the Board, may grant U.S. Options. Only U.S. Eligible Persons shall be eligible to receive a grant of U.S. Options. Eligibility for ISOs is further limited to U.S. Eligible Persons who are common-law employees of the Company or

of a "subsidiary corporation" or "parent corporation" of the Company as those terms are defined in Section 424 of the Code. The Board will determine the terms of all U.S. Options, subject to the limitations provided in the Schemes, this Rule 3 of Part III and in the Option certificate. Any Shares issued pursuant to an U.S. Option shall be subject to all Company policies, Company or underwriter restrictions on transfer, exercise or resale, Company rights of first refusal or repurchase, and compliance with applicable laws, in each case as determined by the Company.

- 3.2 **Exercise Price.** The exercise price of each U.S. Option shall be 100% (110%, in the case of an ISO granted to a ten-percent shareholder within the meaning of subsection (b) (6) of Section 422 of the Code) of the fair market value of a Share, determined as of the Issue Date, or such higher amount as the Board may determine in connection with the grant. Fair market value shall be determined by the Board consistent with the applicable requirements of Section 422 of the Code and Section 409A of the Code. To the extent approved by the Board in its discretion and with all terms and conditions determined by the Board, payment of U.S. Option exercise prices and/or U.S. Option withholding taxes may be made in another form of legal consideration acceptable to the Board. Such other forms may include, without limitation, surrender of Shares previously owned by the Participant, a Company provided loan, stock attestation, or withholding from other compensation paid to the Participant by the Company.
- 3.3 **ISO Limitations.** To the extent that the aggregate fair market value (determined at the Issue Date) of the Shares subject to all ISOs granted under the Scheme (or granted under any other incentive stock option plans of the Company and its subsidiary corporations) that are exercisable for the first time by a U.S. Eligible Person during the same calendar year exceeds One Hundred Thousand U.S. Dollars (US\$100,000) , the Options or portions thereof that exceed such limit (according to the order in which they were granted) shall be treated as NSOs, notwithstanding any contrary provision of the applicable Option certificate(s). Certain decisions, amendments, interpretations and actions by the Company and certain actions by a Participant may cause an U.S. Option to cease to qualify as an ISO and by accepting an U.S. Option, each Participant agrees in advance to any such disqualifying action taken by either the Participant or the Company.
- 3.4 **Exemption from Section 409A of the Code.** U.S. Options granted pursuant to this Part III shall contain such terms and shall be administered such that they are at all times exempt from the requirements of Section 409A of the Code. The Board shall have the discretionary authority (but not the affirmative obligation) to take such actions and to make such changes to any U.S. Option or this Part III as the Board deems necessary (and without needing to obtain any Participant consent) to comply with the requirements of Code Section 409A (including without limitation, after the Issue Date, increasing the per Share Exercise Price of an U.S. Option to equal what was the fair market value of a Share on the U.S. Option's Issue Date).
- 3.5 **Change in Control.** If there is a "change in control event" (within the meaning of Code Section 409A) involving the Company and/or the Company is a party to a merger or acquisition or reorganization or similar transaction, outstanding U.S. Options shall be subject to the merger agreement or other applicable transaction agreement. Such agreement may provide, without limitation, that subject to the consummation of the applicable transaction,

for the assumption (or substitution) of outstanding U.S. Options by the surviving entity or its parent, for their continuation by the Company (if the Company is a surviving entity), for accelerated vesting or for their cancellation with or without consideration, or for the mandatory exercise or conversion of U.S. Options into Shares and/or cash, in all cases without the consent of the Participant.

4. NON-TRANSFERABILITY OF THE OPTION

- 4.1 **Transferability.** No U.S. Option may be transferred other than by will or by the laws of descent and distribution, and during a Participant's lifetime a U.S. Option may be exercised only by the Participant; provided, however, that the Board may, in its sole discretion, permit transfer of an NSO in the applicable Option certificate in a manner that is not prohibited by applicable tax and securities laws. Notwithstanding the foregoing, if a U.S. Option is required to be transferred pursuant to a domestic relations order; and the U.S. Option is an ISO, such U.S. Option may be deemed to be a NSO as a result of such transfer.

5. SHARE LIMITS

- 5.1 **Number of Shares Available to be Issued Under ISOs.** A maximum of 4,000,000¹ Shares (or, if fewer, the maximum number of Shares available under the Scheme) may be delivered in satisfaction of ISOs (the "ISO Limit") or with respect to the exercise of all U.S. Options (the "Part III Share Limit"). To the extent consistent with the requirements of Section 422 of the Code, Shares issued under awards of an acquired company that are converted, replaced, or adjusted in connection with the acquisition shall not count against the ISO Limit or Part III Share Limit. If U.S. Options are forfeited or are terminated for any reason (including the Company's repurchase of unvested Shares), then the forfeited/terminated/repurchased Shares underlying such U.S. Options shall not be counted against the Part III Share Limit or ISO Limit (to the extent permitted by law). Additionally, only the number of Shares actually issued to the Participant in settlement of an U.S. Option exercise shall be counted against the Part III Share Limit or ISO Limit (to the extent permitted by law).
- 5.2 **Term.** No U.S. Options may be granted after the tenth anniversary of the date the Scheme was adopted by the Board, but previously granted U.S. Options may continue beyond that date in accordance with their terms. U.S. Options shall be exercisable for a period not to exceed ten (10) years after the Issue Date and any U.S. Options that have not been exercised as of such option term shall terminate and all interests and rights of the Participant shall expire. Notwithstanding the foregoing, in the case of a ten-percent shareholder within the meaning of subsection (b) (6) of Section 422 of the Code, ISOs shall not be exercisable later than five (5) years after the Issue Date.

6. VARIATION OF CAPITAL

- 6.1 **Adjustments.** The Board shall have due regard for the qualification of ISOs under Section 422 and the requirements of Section 409A, where applicable, in making any adjustments affecting U.S. Options pursuant to Part I, Rule 8. In addition, the Option shall be subject to such

¹ A specific number of shares must be included if ISOs are going to be granted. This number must also be approved by shareholders i.e. it cannot be entered after shareholder approval has been given.

adjustments under the Scheme upon a change of control or an asset sale as determined by the Board. All such adjustments affecting the Option shall be consistent with the requirements of Section 422, Section 424 and Section 409A of the Code, as applicable.

- 6.2 **Other Adjustments.** In the event of a stock split, reverse stock split, stock dividend, recapitalization, combination, reclassification or other distribution of the Shares without the receipt of consideration by the Company, then there shall be a proportionate adjustment to (i) the number (and kind) of Shares purchasable or issuable under the US Options and (ii) the exercise prices of the U.S. Options and (iii) the Part III Share Limit and ISO Limit. Under no circumstances shall the Company be required to authorize or issue fractional Shares as a result of the previous sentence.

7. LEGAL CONDITIONS ON DELIVERY OF STOCK

- 7.1 **Requirements.** The Company will not be obligated to deliver any Shares pursuant to the Scheme or to remove any restriction from Shares previously delivered under the Scheme until: (i) the Company is satisfied that all legal matters in connection with the issuance and delivery of such Shares have been addressed and resolved; (ii) if the outstanding Shares are at the time of delivery listed on any stock exchange or national market system, the Shares to be delivered have been listed or authorized to be listed on such exchange or system upon official notice of issuance; and (iii) all conditions of the U.S. Option have been satisfied or waived. If the sale of Shares has not been registered under the Securities Act of 1933, as amended, the Company may require, as a condition to exercise of the U.S. Option, such representations or agreements as counsel for the Company may consider appropriate to avoid violation of such Act. The Company may require that certificates evidencing Shares issued under the Scheme bear an appropriate legend reflecting any restriction on transfer applicable to such Shares, and the Company may hold the certificates pending lapse of the applicable restrictions.
- 7.2 **Certificates.** If Share certificates are issued, a separate certificate or certificates shall be issued for Shares purchased on exercise of each U.S. Option.

8. MISCELLANEOUS

- 8.1 **Waiver of Jury Trial.** By accepting a U.S. Option under this Part III, each Participant waives any right to a trial by jury in any action, proceeding or counterclaim concerning any rights under the Scheme and any U.S. Option, or under any amendment, waiver, consent, instrument, document or other agreement delivered or which in the future may be delivered in connection therewith, and agrees that any such action, proceedings or counterclaim shall be tried before a court and not before a jury. By accepting a U.S. Option under this Part III, each Participant certifies that no officer, representative, or attorney of the Company has represented, expressly or otherwise, that the Company would not, in the event of any action, proceeding or counterclaim, seek to enforce the foregoing waivers.
- 8.2 **Limitation of Liability.** Notwithstanding anything to the contrary in the Scheme, neither the Company, nor any Affiliate, nor the Board, nor any person acting on behalf of the Company, any Affiliate, or the Board, shall be liable to any Participant or to the estate or beneficiary of any Participant or to any other holder of a U.S. Option by reason of any acceleration of income, or any additional tax, asserted by reason of the failure of a U.S. Option to satisfy the

requirements of Section 422 of the Code, Section 409A of the Code or by reason of Sections 280G and 4999 of the Code; provided, that nothing in this Rule 8.2 shall limit the ability of the Board or the Company to provide by separate express written agreement with a Participant for a gross-up payment or other payment in connection with any such tax or additional tax. For withholding tax purposes, the Shares shall be valued on the date the withholding obligation is incurred.

- 8.3 **Notice Of ISO Sales.** In the event that either (a) within two (2) years after the Issue Date of an ISO, or (b) within one (1) year after the issuance of such Shares pursuant to the exercise of such ISO, the Participant disposes of Shares acquired pursuant to such ISO, the Participant shall immediately notify the Company in writing of such disposition. Such notification will without limitation include the date of the disposition, the number of Shares that were disposed of and their U.S. Option Issue Date, and the amount of proceeds the Participant received from the disposition. Each Participant agrees and acknowledges that he or she will provide the Company with all information as may be requested for purposes of making any required information and reporting returns under applicable tax laws relating to the exercise of U.S. Options and disposition of the Shares.
- 8.4 **ISO and NSO on Same Terms.** Where the Participant has both an ISO and NSO granted on otherwise identical terms and the U.S. Options have not Vested as to 100%, any performance condition, pro-rating and vesting conditions shall be applied so as to treat the ISO as vesting prior to the NSO.
- 8.5 **Taxes.** Each Participant shall be solely liable and responsible for any taxes that are imposed on Participant as a result of any U. S. Option grant, exercise, settlement, and/or disposition of Shares acquired pursuant to such U. S. Option. Any grant, vesting (or acceleration of vesting), exercise, or settlement of an U.S. Option shall not constitute a parachute payment within the meaning of Code Section 280G such that there would be an imposition of golden parachute excise taxes under Code Section 4999 and/or the loss of a tax deduction for the Company under Code Section 280G. The Company shall have the authority to ensure that this requirement is satisfied including without limitation by reducing the amount of compensation otherwise to be provided with respect to an U.S. Option and/or other compensation that would otherwise be provided to a Participant so that there are no Code Section 280G parachute payments.
- 8.6 **California Securities Laws.** To the extent necessary to comply with the state of California Corporate Securities Law of 1968 as amended, the following terms listed in this Rule 8.6 shall apply if a Participant is also a “California Participant”. For purposes of this Rule 8.6, a Participant is a California Participant if the applicable U.S. Option was granted in reliance on California Corporations Code section 25102(o). If termination of the California Participant’s employment was for reasons other than due to death or disability, the California Participant shall have at least 30 days after the date of such termination to exercise any of the then-vested and exercisable portion of his/her U.S. Options (but in no event later than the expiration of the term of the U.S. Option established by the Board as of the Issue Date). If termination of the California Participant’s employment was due to his/her death or disability, the California Participant shall have at least six months after the date of such termination to exercise any then-vested and exercisable portion of his/her U.S. Options (but in no event later

than the expiration of the term of the U.S. Option established by the Board as of the Issue Date). For purposes of this Part III, “disability” shall mean a Total and Permanent Disability as defined by Code Section 22(e) (3). The Plan and this Part III must be approved by Company shareholders in accordance with California Code of Regulations Title 10 Sections 260.140.41(g) and Section 260.140.42(e) within no later than twelve months after the initial granting of any U.S. Option in the state of California or else all such U.S. Options granted to California Participants must be rescinded. Notwithstanding the foregoing, for so long as the Company is a “foreign private issuer” as defined by Rule 3b-4 of the U.S. Securities Exchange Act of 1934 and the aggregate number of persons in California granted U.S. Options (or other Company options or securities) does not exceed 35, then the foregoing shareholder approval requirement is not applicable as permitted by California Code of Regulations Title 10 Sections 260.140.41(g) and Section 260.140.42(e).