

Three overlapping arrows pointing to the right. The top arrow is solid red, the middle one is solid grey, and the bottom one is a white outline. They are positioned to the left of the text.

**DEXION LIMITED  
TAX EXEMPT  
EMPLOYEE SHARE  
ACQUISITION PLAN  
RULES**

## 1. Introduction

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### 1.1 Overview

The purpose of the Dexion Limited Employee Share Acquisition Plan is to increase employee incentive and motivation by providing employees with the opportunity to participate in the growth of the Company in a tax effective way.

The plan allows employees to participate, at the invitation of the Company, in a tax effective scheme for the acquisition of shares in the Company. Shares may be acquired under the Plan by purchasing existing shares on the Australian Stock Exchange or by the Company issuing new shares.

Under the scheme, Employees may elect to acquire Shares in the Company with a Market Value not exceeding \$1,000 (or such other amount as may be exempt from inclusion as assessable income) during each year of employment.

The scheme will be conducted so that it is open to at least 75% of permanent employees of the Group Company.

## 2. Definitions and Interpretation

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### 2.1 Definitions

In these Rules:

**ASX** means the Australian Stock Exchange;

**Board** means the Board of directors of the Company or a committee appointed by the Board;

**Company** means Dexion Limited A.C.N. 105 330 041;

**Directors** mean the Directors of the Company;

**Employee** means a person employed as a full or part-time employee of a Group Company;

**Essential Features** are as follows:

- (a) the consideration for the acquisition of the share,
- (b) the number of shares or rights, the minimum number of shares or rights or the maximum number of shares or rights, offered to each employee, as the case may be,
- (c) the time for acceptance of the offer, and
- (d) the steps taken for the circulation of information about the offer;

**Tax Year** means the twelve months ended on the 30 June;

**Group Company** means the Company or a subsidiary body corporate of the Company;

**Holding Lock** has the meaning given to the term "holding lock" in the Listing Rules;

**Listing Rules** means the Official Listing Rules of the Australian Stock Exchange Limited from time to time in force as they apply to the Company and a reference to any particular provision includes a reference to any replacement provision;

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

**Participant** means an Employee who acquires or makes an application to apply for Shares under the Plan;

**Permanent Employee** means a full-time employee of a Group Company or a permanent part-time employee of a Group Company with at least 36 months service (whether continuous or non-continuous). A person is not a permanent employee of the Group Company at any time when the person is a director of a Group Company. A person is not a permanent employee of a Group Company at any time when the person is an exempt visitor, or is not a resident of Australia or is not physically present in Australia;

**Plan** means the Dexion Limited Employee Share Acquisition Plan as set out in these rules and altered or added to under Rule 12;

**Relative** in relation to a person means the spouse, parent, grandparent, brother or sister, lineal descendant or adopted child of that person or of his or her spouse;

**Restricted Share** means a Share acquired under the Plan subject to restrictions under Rule 7;

**Rules** means a reference to the rules contained in this Plan;

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

**Share Allocation** means the shares allocated in accordance with Rule 6.3; and

**Tax Act** means the *Income Tax Assessment Act 1997* (Cth) and the *Income Tax Assessment Act 1936* (Cth).

## 2.2 Interpretation

In this Plan, headings are only for convenience and do not affect interpretation and, unless the context requires otherwise:

- (a) the singular number includes the plural and the other way around;
- (b) words of one gender include the other gender;
- (c) a reference to any legislation includes any amendment to that legislation, any consolidation or replacement of it, and any subordinate legislation made under it;
- (d) a reference to a provision in any legislation includes a reference to a provision in any amendment, consolidation or replacement of that legislation which, in the opinion of the Board, corresponds with the first mentioned provisions;
- (e) an expression defined in section 9 of the *Corporations Act 2001* (Cth) has the same meaning as in that section;
- (f) if any provision in these Rules is invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions is not affected or impaired; and
- (g) if the day on or by which something must be done is not a business day in the place where it must be done, it must be done on the next business day.

## 3. Eligibility

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### 3.1 Basic eligibility requirements

Subject to Rule 3.2, a person is only eligible to acquire Shares under the Plan if he or she is:

- (a) an Employee; and
- (b) has satisfied the criteria the Board from time to time decides for participation in the Plan.

### **3.2 Changing eligibility status**

The Board may change the eligibility status of any individual Employee or group of Employees for the purposes of this Plan.

### **3.3 Refusal**

The Company reserves the right to refuse participation in the Plan in whole or in part for any particular Employee or group of Employees, even if the eligibility criteria and other steps have been satisfied for participation.

## **4. Invitation**

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### **4.1 Invitation**

An invitation to participate in the Plan may:

- (a) be made by the Company at any time;
- (b) be in any form;
- (c) relate to a specified number or specified value of shares; and
- (d) be on any conditions (including performance conditions) or subject to any restrictions, as the Board decides.

### **4.2 Personal nature**

Except as allowed for under this Plan, an invitation is not transferable and an Employee may only apply for the Shares in his or her name and not on behalf of another person.

## **5. Application**

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- 5.1** An application to join the Plan must be made in accordance with the instructions which accompany the invitation or in any other way the Board decides.
- 5.2** The Participant may apply for the number of Shares specified in the invitation by sending to the secretary of the Company, or nominee as determined by the Board, an application (in the form attached to the invitation) duly signed and completed.
- 5.3** The application must be received by the Company within the acceptance period specified in the invitation.
- 5.4** The Board will be entitled to receive from the Participant any information that they regard as necessary concerning the Participant and the Participant's entitlement to lodge an application and may reject any application.

## **Allocation of Shares**

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### **6.1 Allotment of Shares**

Upon acceptance by the Board of a duly signed and completed application form, and subject to this Rule 6, the Company must do the following as soon as practicable:

- (a) allot to the Participant such number of Shares as is equal to the Share Allocation; and
- (b) provide a holding statement to the Participant advising of the number of shares allotted to the Participant.

## **6.2 Maximum Share Allocation**

The maximum Share Allocation of shares issued under the Plan to an Employee in a Tax Year must not have a Market Value in excess of \$1,000;

## **6.3 Determination of Share Allocation**

The Share Allocation is the number of Shares or value of shares specified in the completed application form such number not to be greater than the number of Shares specified in the invitation and not having Market Value in excess of \$1,000;

## **6.4 Shares acquired by a Participant**

- (a) Shares allotted to Participants may be acquired by the Company by purchasing Shares on the ASX or by the Company issuing Shares.
- (b) Shares allotted to the Participant under the Plan will:
  - (i) be ordinary shares;
  - (ii) be acquired as fully paid;
  - (iii) be registered on the register nominated by the Company;
  - (iv) rank equally with all existing Shares from the date of acquisition in respect of all rights issues, bonus share issues, dividends and other distributions to, or entitlements of, holders of existing Shares made or declared after acquisition; and
  - (v) be subject to any restrictions or other conditions as determined by the Board.

## **6.5 Legal constraints**

Despite any other Rule, the Board may exclude a person from acquiring Shares under the Plan if it appears to the Board that doing so would contravene these Rules, the Listing Rules, the constitution of the Company, any law or would give rise to unreasonable regulatory requirements for the Company.

## **6.6 Transaction costs**

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

## **6.7 Listing**

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

## **7. Restriction on disposal of Shares**

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### **7.1 No disposal**

A Participant must not transfer, sell or otherwise dispose of any Shares acquired under the Plan while they are Restricted Shares.

### **7.2 Restriction Period**

A Share acquired by a Participant under the Plan will be a Restricted Share until the earlier of:

- (a) the end of the period of 3 years (or any other period the Board decides, having regard to the taxation implications) commencing at the time the Participant acquires the Share; and
- (b) the time when the Participant ceases to be an Employee.

## **8. Shares - Holding Lock**

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### **8.1 Restrictions**

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

### **8.2 Holding Lock**

Without limiting Rule 8.1, for as long as a Share is a Restricted Share, each Participant:

- (a) agrees that the share will be subject to a Holding Lock; and
- (b) undertakes not to request (or allow another person to request) removal of the Holding Lock.

## **9. Takeovers**

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Notwithstanding any other provisions of Rule 7, if a takeover bid is made or other formal scheme is proposed for the acquisition of some or all of the Shares, a Participant may, if:

- (a) acceptance of the bid or scheme is recommended by the Directors; and
- (b) the Directors resolve to end the restriction on sale of the Shares under the Plan for the purpose of transfer to the bidder,

accept on such terms the Participant decides in respect of some or all of the Shares registered in his or her name.

## **10. Dividends, capital reconstructions and issues**

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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 Shareholder is entitled will be reconstructed in the manner specified by the Listing Rules applicable as at the Date of Issue of the Shares.

## **11. Employees bound by rules**

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Employees who receive Shares under the Plan are bound by these Rules.

## **12. Administration of the Plan**

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### **12.1 Board administration**

The Board will administer the Plan.

### **12.2 Conduct of the scheme**

This scheme must be conducted on a non-discriminatory basis. The scheme will be operated on a non-discriminatory basis if the following conditions are satisfied in relation to all offers to acquire shares or rights under the scheme:

- (a) participation in the scheme is open to a least 75% of Permanent Employees,
- (b) the time for acceptance of each offer is reasonable, and
- (c) the Essential Features of each offer are the same for at least 75% of permanent employees of the employer.

### **12.3 Board powers**

The Board may:

- (a) delegate to any person for the period and on the terms it decides the exercise of any of its powers or discretions under the Plan;
- (b) decide on appropriate procedures for administering the Plan, including the form of application forms and other forms and notices to be issued under the Plan;
- (c) resolve conclusively all questions of fact or interpretation concerning the Plan and these Rules and any dispute of any kind that arises under the Plan;
- (d) subject to the Listing Rules and Rule 12.5 and 12.6, amend, add to or waive any provision of the Plan (including this Rule 12.2), or any restriction or other condition relating to any Shares allocated under the Plan;
- (e) waive any breach of a provision of the Plan; and
- (f) amend or terminate the Plan.

### **12.4 Non-residents of Australia**

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

### **12.5 Limitation on amendments**

The Board must not make any amendment to the provisions of the Plan, or to any restriction or other condition relating to any Shares allocated under the Plan, which reduces the rights of Participants in respect of Shares allocated to them before the date of the amendment, however, this Rule 12.5 does not apply to an amendment made primarily:

- (a) to comply with present or future State or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or similar plans;
- (b) to correct any manifest error; or

- (c) to take into consideration possible adverse tax implications in respect of the Plan arising from, among other things:
  - (i) adverse rulings from the Commissioner of Taxation;
  - (ii) changes to the Tax Act;
  - (iii) changes in the interpretation of the Tax Act by a court or tribunal of competent jurisdiction.

## **12.6 Consent of Participants**

The Board must not make an amendment under rule 12.3 which would adversely affect the rights of Participants who have been issued Shares under the Plan without first obtaining the consent of Participants who collectively hold 75% of the Shares affected by the amendment.

## **12.7 Board's Discretion**

The Board has absolute and unfettered discretion:

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

## **13. Duties and taxes**

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The Company:

- (a) is not responsible for any duties or taxes which are or may become payable on the transfer, allotment or issue of Shares under the Plan or any other dealing with the Shares (except to the degree it accepts those costs in accordance with Rule 6.6); and
- (b) may make any withholding or payment which it is required by law to make in connection with the Plan or the Shares.

## **14. No compensation or damages**

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### **14.1 Terms of employment not affected**

- (a) The rights and obligations of a Participant under the terms of his or her employment by a Group Company are not affected by his or her participation in the Plan.
- (b) These Rules do not form part of, and will not be incorporated into, any contract of engagement or employment between a Participant and his or her employer.

### **14.2 No right to compensation**

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

## **15. Maximum Number of Shares**

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### **15.1 Total maximum number of shares:**

The Company will take reasonable steps to ensure that:

- (a) Shares issued under this or any other employee incentive plan of the Company during the previous five years; aggregated with

- (b) Unissued Shares which would be issued if each outstanding offer under an employee incentive scheme was accepted or exercised, Will not exceed 5% of the issued Shares of the Company, excluding an option acquired, or share issued by way of or as a result of:
  - (i) An offer to a person situated at the time of receipt of the offer outside this jurisdiction, or
  - (ii) An offer that is an excluded offer or invitation within the meaning of the Corporations Law as in force before the commencement of Schedule 1 to the *Corporate Law Economic Reform Program Act 1999*, or
  - (iii) An offer that did not need disclosure to investors under s708 of the *Corporations Act 2001*, or
  - (iv) An offer that did not require the giving of a Product Disclosure Statement because of s1012D, or
  - (v) An offer made under a disclosure document or Product Disclosure Statement.

## **15.2 Individual's maximum**

- (a) The total number of Shares acquired by an Employee under this Plan or any other employee or executive share or option plan of the Company must not exceed 5% of the issued share capital of the Company, and
- (b) The total number of Shares to be held by the Employee following the Share acquisition (regardless of how the Shares were acquired), must not exceed 5% of the issued share capital of the Company.

## **16. Notices**

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A notice or other communication under or concerning the Plan is validly given:

- (a) by the Company to an Employee or Participant, if delivered personally to the addressee or sent by prepaid post to his or her last known residential address, sent to him or her by facsimile at his or her place of work, or sent by any other means specified in the Constitution of the Company for delivery of notices to members; and
- (b) by an Employee or Participant to the Company if delivered or sent by prepaid post addressed to the company secretary at the Company's registered office (or any other address the Board specifies). Notices may also be given to the Company by means of facsimile, e-mail or other mode of electronic delivery to such address as is notified by the Company to the Participant or Employee.

A notice or other communication sent by post from within Australia, if properly addressed and stamped, will be treated as received 48 hours after it was posted. A notice or other communication sent by post from outside Australia will be treated as received 7 days after it was posted. Notices delivered by facsimile, e-mail or other mode of electronic delivery shall be taken to be delivered on receipt of an answer back signal by the sender.

## **17. Governing law**

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The Plan is governed by the laws of New South Wales and the Commonwealth of Australia.