



Oliver's Real Food Limited (ACN 166 495 441)

Oliver's Employee Incentive Plan Rules

21 April 2017

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Oliver's Employee Incentive Plan Rules

1. Introduction

1.1 Purpose of the incentive plan

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

1.2 Advice

There are legal and tax consequences associated with participation in the Incentive Plan. Employees should ensure that they understand these consequences before accepting an invitation to participate in the Incentive Plan.

Any advice given by or on behalf of the Company is general advice only, and Employees should consider obtaining their own financial product advice from an independent person who appropriately qualified and/or licensed in their country to give such advice.

2. Definitions and Interpretation

2.1 Definitions

In these Rules unless the contrary intention appears, terms defined in the Corporations Act or Listing Rules have the same meaning in these Rules, and:

Application means a written acceptance of an Offer for, or an application for, Awards in a form approved by or acceptable to the Board.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited or the securities market which it operates, as the context requires.

Award means:

- (a) an Option,
- (b) a Performance Right,
- (c) a Service Right,
- (d) a Deferred Share Award,
- (e) an Exempt Share Award,
- (f) a Cash Right,

(g) a Stock Appreciation Right,

as applicable.

Board means the Board of Directors of the Company.

Cash Right means a cash based performance right issued under clause 3.10.

Change of Control means, in relation to the Company, either:

- (a) any person, either alone or together with any associate (as defined in the Corporations Act), who did not have a relevant interest (as defined in the Corporations Act) in more than 50% of the issued Shares in the Company, acquires a relevant interest in more than 50% of the issued Shares in the Company other than listing on a recognised stock exchange before 31 December 2017; or
- (b) the Board concludes that there has been a change in the Control of the Company.

Company means Oliver's Real Food Limited (ACN 166 495 441).

Control has the meaning given to that term in section 50AA of the Corporations Act.

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

Deferred Share Award means a Share issued under clause 3.5.

Employee means a person who is in full-time or part-time employment of a Group Company and includes a director of a Group Company.

Exempt Share Award means a Share issued under clause 3.7.

exercise means exercise of an Award in accordance with its terms, and includes automatic exercise in accordance with these Rules.

Exercise Price means the price payable (if any) per Share to exercise an Award.

Expiry Date means the date on which an Award lapses, being the date specified in an Offer as the Expiry Date, or fixed by a method of calculation set out in an Offer.

Fair Market Value means the closing sales price per Share for the relevant date on the ASX, or, if there is no such sale on the relevant date, then on the last previous day on which such a sale is reported.

Incentive Plan means the Oliver's Employee Incentive Plan.

Incentive Plan Shares means the Shares allotted and issued, or transferred, by the Company to a Participant in respect of an Award.

issue of a Share includes the transfer of an existing Share in accordance with clause 8.3.

Issue Price means the price (if any) to be paid for the issue of a Share as stated in the Offer.

Listed means the Company being and remaining admitted to the official list of the ASX.

Listing Rules means the Listing Rules of ASX and any other rules of the ASX which are applicable while the Company is Listed each as amended or replaced from time to time, except to the extent of any waiver granted by the ASX.

Market Price means the weighted average sale price of Shares on the ASX over the five trading days immediately preceding the day the Offer is made, or another pricing method determined by the Company.

Offer means an offer or issue of Awards made to an Employee under clause 4. Where Awards are issued without the need for acceptance, an Offer includes the document setting out the terms of the Award.

Option means an option to acquire Shares issued under clause 3.2.

Participant means an Employee to whom Awards are issued.

Performance Right means a right to acquire a Share issued under clause 3.3.

Restricted Award means an Award or a Share issued on exercise of an Award in respect of which a restriction on sale or disposal applies under this Incentive Plan.

Restriction Period means the period during which Awards, or Shares issued on exercise of Awards, must not be sold or disposed of, being the period specified in these Rules in respect of Deferred Share Awards, Exempt Share Awards, Cash Rights and Stock Appreciation Rights, and as specified in the Offer in respect of other Awards.

Rules means these rules as amended from time to time.

Security Interest means an interest in an asset which provides security for, or protects against default by, a person for the payment or satisfaction of a debt, obligation or liability including a mortgage, charge, bill of sale, pledge, deposit, lien, encumbrance, hypothecation, first right of refusal, voting right or arrangement for the retention of title or any agreement, option or other arrangement to grant such an interest or right.

Service Right means a right to acquire a Share issued under clause 3.4.

Share means a fully paid ordinary share of the Company.

Stock Appreciation Right means a right designated as a stock appreciation right and issued under clause 3.11.

Tax Act means the *Income Tax Assessment Act 1997* or any legislation amending or replacing the provisions of that Act relating to the issue and exercise of Awards.

Vesting Conditions means any conditions described in the Offer that must be satisfied before an Award can be exercised or before an Award (or Share issued under an Award) is no longer subject to forfeiture.

Vesting Date means the date on which an Award is exercisable or is no longer subject to forfeiture following satisfaction of any Vesting Conditions.

2.2 Interpretation

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 includes 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 a firm, unincorporated association, corporation and a government or statutory body or authority;
 - (ii) a person includes its legal personal representatives, successors and assigns;
 - (iii) 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;
 - (iv) a right includes a benefit, remedy, discretion, authority or power;
 - (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) anything (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.

2.3 Headings

Headings are for convenience only and do not affect the interpretation of these Rules.

3. Awards that may be made under the Incentive Plan

- 3.1 The Company may, at the discretion of the Board, offer and issue Awards to Employees of the kind set out in this clause 3.

3.2 Options

The Company may offer or issue Options, which are rights to be issued a Share upon payment of the Exercise Price and satisfaction of specified Vesting Conditions. These terms apply unless the Offer specifies otherwise:

- (a) Options are Restricted Awards until they are exercised or expire.
- (b) An Offer may specify a Restriction Period for Shares issued on the exercise of Options.
- (c) Options are subject to adjustment under clause 13.

3.3 Performance Rights

The Company may offer or issue Performance Rights, which are rights to be issued a Share for nil Exercise Price upon the satisfaction of Vesting Conditions specified in the Offer. These terms apply unless the Offer specifies otherwise:

- (a) Performance Rights are Restricted Awards until they are exercised or expire.
- (b) An Offer may specify a Restriction Period for Shares issued on the exercise of Performance Rights.
- (c) Performance Rights are subject to adjustment under clause 13.

3.4 Service Rights

The Company may offer or issue Service Rights, which are rights to be issued a Share for nil Exercise Price upon the satisfaction of Vesting Conditions specified in the Offer, which Vesting Conditions relate only to the continued employment of the Employee. These terms apply unless the Offer specifies otherwise:

- (a) Service Rights are Restricted Awards until they are exercised or expire.
- (b) An Offer may specify a Restriction Period for Shares issued on the exercise of Service Rights.
- (c) Service Rights are subject to adjustment under clause 13.

3.5 Deferred Share Awards

The Company may offer or issue Deferred Share Awards, which are Shares issued to Employees:

- (a) who elect to receive Shares in lieu of any wages, salary, director's fees, or other remuneration; or
- (b) by the Company in its discretion, in addition to their wages, salary and remuneration, or in lieu of any discretionary cash bonus or other incentive payment; and
- (c) that may be forfeited if Vesting Conditions specified in the Offer are not satisfied.

- 3.6 Unless a different Restriction Period is specified in an Offer, the Restriction Period for Deferred Share Awards will expire on the earlier of:
- (a) when a Participant ceases employment within the meaning of section 83A-330 of the Tax Act;
 - (b) when there is no risk of forfeiting the Share and there is no restriction on disposing of the Share; and
 - (c) 15 years from the date of issue of the Shares.

3.7 Exempt Share Awards

The Company may offer or issue Exempt Share Awards, which are Shares issued for no consideration or at an Issue Price which is a discount to the Market Price with the intention that up to \$1,000 (or such other amount which is exempted from tax under the Tax Act from time to time) of the total value or discount received by each Employee will be exempt from tax.

- 3.8 The Restriction Period for Exempt Share Awards will expire on the earlier of:

- (a) 3 years from the date of issue of the Shares (or such other period as may be required for tax exemption under Subdivision 83A-B of the Tax Act); and
- (b) the time when a Participant ceases employment within the meaning of section 83A-330 of the Tax Act.

- 3.9 The Company must offer Exempt Share Awards on a non-discriminatory basis as defined by section 83A-35(6) of the Tax Act.

3.10 Cash Rights

The Company may offer or issue Cash Rights, which are rights to be issued a cash payment for nil Exercise Price upon the satisfaction of specified Vesting Conditions. Unless the Offer specifies otherwise, the Cash Rights are Restricted Awards until they are exercised or expire.

3.11 Stock Appreciation Rights

The Company may offer or issue Stock Appreciation Rights in accordance with this clause 3.11. These terms apply to the issue of Stock Appreciation Rights unless the Offer specifies otherwise:

- (a) Stock Appreciation Rights are Restricted Awards until they are exercised or expire;
- (b) an Offer may specify a Restriction Period for Shares issued on the exercise of Stock Appreciation Rights;
- (c) upon exercise of a Stock Appreciation Right, and unless the Board determines otherwise, the Participant exercising the Stock Appreciation Right shall be entitled to receive payment from the Company determined on the basis of the difference between the Fair Market Value on the date of exercise of the Stock Appreciation Right and the Fair Market Value on the date of

grant of the Stock Appreciation Right, adjusted as necessary for changes to the Company's capital structure. The full terms of calculation of such payment will be set out in the Offer;

- (d) at the discretion of the Board, the payment upon exercise of a Stock Appreciation Right may be in cash, in Shares of equivalent value, or in some combination of cash and Shares. The Board's determination shall be made at any time on or before exercise of a Stock Appreciation Right; and
- (e) Stock Appreciation Rights are subject to adjustment under clause 13.

4. Offers of Awards

4.1 Subject to clause 5, the Company may make an Offer to any Employee.

4.2 Form of Offer

Each Offer must be in writing (which includes email), include an Application if acceptance is required, and specify the following to the extent applicable:

- (a) the name and address of the Employee to whom the Offer is made;
 - (b) the type of Awards being offered;
 - (c) the number of Awards being offered;
 - (d) any Vesting Conditions for the Awards;
 - (e) the Issue Price and/or Exercise Price for the Awards, or the manner in which the Issue Price and/or Exercise Price is to be determined;
 - (f) the Expiry Date (if any);
 - (g) any Restriction Period;
 - (h) any other terms or conditions, including termination of employment, that the Board decides to include; and
 - (i) any matters required to be specified in the Offer by the Corporations Act or the Listing Rules.
- 4.3 If required by applicable laws or the conditions to applicable ASIC relief, the Offer must include an undertaking by the Company to provide to a Participant, if a request is made before the Award is Exercised and within a reasonable period of being so requested, the current market price of the Shares.
- 4.4 Compliance with laws

No Offer will be made to the extent that any such Offer would contravene the Company's Constitution, the Listing Rules, the Corporations Act or any other applicable law.

4.5 Acceptance

If acceptance of an Offer is required, it may be accepted:

- (a) by an Employee completing and returning the Application, as required by the Offer, by not later than the date specified in the Offer; and
- (b) if required, by the Employee making or directing payment of the total amount payable for the Awards (if any) accepted under the Offer, in the manner specified in the Offer.

4.6 An Offer which requires acceptance lapses if it is not accepted by the Employee to whom the Offer is made as required under clause 4.5.

4.7 For the avoidance of any doubt, an Offer may only be accepted by (and the relevant Award and any subsequent Share issues may only be granted or issued to) the Employee to whom the Offer is made.

5. Dilution limit

5.1 An Offer of Awards must not be made if the total of:

- (a) the number of Shares which are the subject of the Offer of Awards; and
- (b) underlying Shares issued or that may be issued as a result of any Offers of Award, or similar offer of Shares under a predecessor or other employee incentive plan, made at any time during the previous 3 year period in reliance on relief granted by ASIC (however obtained),

would exceed 5% of the number of Shares on issue at the time of the Offer.

5.2 In no circumstances will Awards be granted under this Incentive Plan if it is an issue of securities that combined with all other employee share scheme interests outstanding would exceed **15%** of the Company's then outstanding issued capital.

6. Vesting and Exercise of Awards

6.1 Vesting

The Awards held by a Participant will vest in and become exercisable by that Participant upon the satisfaction of any Vesting Conditions specified in the Offer and in accordance with these Rules.

6.2 Vesting Conditions may be waived at the absolute discretion of the Board (unless such waiver is excluded by the terms of the Award).

6.3 Automatic Exercise

The vesting of an Award on the satisfaction of any Vesting Conditions will not automatically trigger the exercise of the Award unless specified in the Offer.

6.4 Exercise of Awards

A Participant is, subject to this clause 6, entitled to exercise an Award on or after the Vesting Date. Any exercise must be for a minimum number or multiple of Shares (if any) specified in the terms of the Offer.

- 6.5 Awards may be exercised by the Participant delivering to the Company a notice stating the number of Awards to be exercised together with the Issue Price (if any) for the Shares to be issued.

7. Election of Board to settle Awards in cash

If the Board determines that for a taxation, legal, regulatory or compliance reason it is not appropriate to issue or transfer Shares, the Company may in lieu and final satisfaction of the Company's obligation to issue or transfer Shares as required upon the exercise of an Award by a Participant, make a cash payment to the Participant equivalent to the Fair Market Value as at the date of exercise of the Award (less any unpaid Exercise Price applicable to the exercise of the Award) multiplied by the relevant number of Shares required to be issued or transferred to the Participant upon exercise of the Award.

8. Allotment of Shares on exercise or vesting of Awards

8.1 Rights attaching to Shares

The Shares issued under this Incentive Plan will upon allotment:

- (a) be credited as fully paid;
- (b) rank equally for dividends and other entitlements where the record date is on or after the date of allotment, but will carry no right to receive any dividend or entitlement where the record date is before the date of allotment; and
- (c) be subject to any restrictions imposed under these Rules, and
- (d) otherwise rank equally with the existing issued Shares at the time of allotment.

8.2 Quotation

If the Company is Listed, then as soon as practicable after the date of the allotment of Shares, the Company will, unless the Board otherwise resolves, apply for official quotation of such Shares on the ASX.

8.3 New or existing Shares

The Company may, in its discretion, either issue new Shares or cause existing Shares to be acquired for transfer to the Participant, or a combination of both alternatives, to satisfy the Company's obligations under these Rules.

- 8.4 If the Company determines to cause the transfer of Shares to a Participant, the Shares may be acquired in such manner as the Company considers appropriate, including from a trustee appointed under clause 8.5.
- 8.5 The Company may appoint a trustee on terms and conditions which it considers appropriate to acquire and hold Shares, options, or other securities of the Company either on behalf of Participants or for the purposes of this Incentive Plan.

9. Rights attaching to Shares

9.1 Shares to rank equally

Any Incentive Plan Shares allotted and issued, or transferred by the Company to a Participant will rank equally with all existing Shares on and from the date of issue or transfer.

9.2 Dividends

A Participant will have a vested and indefeasible entitlement to any dividends declared and distributed by the Company on Incentive Plan Shares which, at the books closing date for determining entitlement to those dividends, are standing to the account of the Participant.

9.3 Dividend reinvestment

The Participant may participate in any dividend reinvestment plan operated by the Company in respect of Incentive Plan Shares held by the Participant and such participation must be in respect of all Incentive Plan Shares held by the Participant. Shares issued under any dividend reinvestment plan operated by the Company will not be subject to any restrictions on dealing.

9.4 Voting rights

A Participant may exercise any voting rights attaching to Incentive Plan Shares registered in the Participant's name.

10. Restricted Awards

10.1 Restrictions

A Participant must not sell, transfer, mortgage, pledge, charge, grant security over or otherwise dispose of any Restricted Awards, or agree to do any of those things, during the Restriction Period.

- 10.2 The Company may implement any procedures it considers appropriate to ensure that Restricted Awards are not disposed of during the Restriction Period, including applying a holding lock in respect of Shares.

- 10.3 Without limiting its discretions under these Rules, the Board may at any time in its discretion waive or shorten the Restriction Period applicable to an Award. Bonus issues

10.4 If the Company makes a pro rata bonus issue to holders of Restricted Awards, the Shares issued to Participants under the pro rata bonus issue will be subject to the balance of the Restriction Period that applied to the Restricted Awards.

10.5 Takeovers and scheme of arrangements

If a takeover bid is made to acquire all of the issued Shares of the Company, or a scheme of arrangement, selective capital reduction or other transaction is initiated which has an effect similar to a full takeover bid for Shares in the Company, then Participants are entitled to accept the takeover bid or participate in the other transaction in respect of all or part of their Awards other than Exempt Share Awards notwithstanding that the Restriction Period in respect of such Awards has not expired. The Board may, in its discretion, waive unsatisfied Vesting Conditions in relation to some or all Awards in the event of such a takeover or other transaction.

10.6 Death or permanent disability of a Participant

If a Participant dies or becomes disabled before the end of the Restriction Period or prior to the Vesting Date, the Board will determine, in its sole and absolute discretion, the manner in which all unvested or restricted Awards will be dealt with.

11. Change of Control

On the occurrence of a Change of Control, the Board will determine, in its sole and absolute discretion, the manner in which all unvested and vested Awards will be dealt with.

12. Hedging unvested Awards

Participants must not enter into transactions or arrangements, including by way of derivatives or similar financial products, which limit the economic risk of holding unvested Awards.

13. Adjustments

13.1 This clause 13 applies to Options, Performance Rights, Service Rights and other Awards where the Participant may be entitled to acquire Shares in the future on exercise of the Award.

13.2 New issues of Shares

A Participant is not entitled to participate in a new issue of Shares or other securities made by the Company to holders of its Shares without exercising the Awards before the record date for the relevant issue.

13.3 Bonus Issues

If, prior to the exercise of an Award, the Company makes a pro-rata bonus issue to the holders of its

Shares, and the Award is not exercised prior to the record date in respect of that bonus issue, the Award will, when exercised, entitle the holder to one Share plus the number of bonus shares which would have been issued to the holder if the Award had been exercised prior to the record date.

13.4 Other reorganisations of capital

If, prior to the exercise of an Award, the Company undergoes a reorganisation of capital (other than by way of a bonus issue or issue for cash) the terms of the Awards of the Participant will be changed to the extent necessary to comply with the Listing Rules as they apply at the relevant time.

13.5 General

Unless otherwise permitted by the Listing Rules, the number of Shares which the Participant is entitled to receive on exercise of an Award will only be adjusted in accordance with this clause 13.

13.6 The Company must give notice to Participants of any adjustment to the number of Shares which the Participant is entitled to receive on exercise of an Award in accordance with the Listing Rules.

14. Power of attorney

14.1 In consideration of the issue of the Awards, each Participant irrevocably appoints each director and the secretary for the time being of the Company severally as his or her attorney, to do all acts and things and to complete and execute any documents, including share transfers, in his or her name and on his or her behalf that may be convenient or necessary for the purpose of giving effect to the provisions of these Rules or the terms of an Award.

14.2 The Participant (or after his or her death, his or her legal personal representative) will be deemed to ratify and confirm any act or thing done under this power and must indemnify the attorney in respect of doing so.

15. Tax or social security contributions

15.1 Where the Company, or a subsidiary (within the meaning of the Corporations Act) of the Company, must account for any tax or social security contributions (in any jurisdiction) for which a Participant is liable because of the issue or transfer of Shares, payment of cash to the Participant or the vesting or exercise of an Award (the **Amount**), either the Company or subsidiary of the Company may withhold the Amount in its discretion or the Participant must, prior to the Participant's Shares being issued or transferred or cash being paid to the Participant, or the Award vesting or being exercised (as applicable), either:

- (a) pay the Amount to the Company; or
- (b) make acceptable arrangements with the Company for the Amount to be made available to the Company.

16. Powers of the Board

- 16.1 The Incentive Plan will be administered by the Board, or a committee of the Board, which will have an absolute discretion to:
- (a) determine appropriate procedures for administration of the Incentive Plan consistent with these Rules;
 - (b) resolve conclusively all questions of fact or interpretation arising in connection with the Incentive Plan or these Rules;
 - (c) delegate to any one or more persons, for such period and on such conditions as they may determine, the exercise of any of their powers or discretions under the Incentive Plan or these Rules;
 - (d) formulate special terms and conditions (subject to the Listing Rules), in addition to those set out in these Rules to apply to Participants employed and/or resident in and/or who are citizens of countries other than Australia. Each of these special terms and conditions will be restricted in their application to those Participants employed and/or resident in and/or who are citizens of other jurisdictions; and
 - (e) amend these Rules, provided that such amendments do not materially prejudice the rights of existing Participants.
- 16.2 While the Company is Listed, the Board may only exercise its powers in accordance with the Listing Rules.

17. Commencement, suspension, termination and amendment of Incentive Plan

- 17.1 Subject to the passing of any necessary resolution approving the establishment of the Incentive Plan and the issue of the Awards, the Incentive Plan will take effect when the Board decides.
- 17.2 The Incentive Plan may be suspended, terminated or amended at any time by the Board, subject to any resolution of the Company required by the Listing Rules.

18. Connection with other schemes

- 18.1 The Company and any related body corporate of the Company are not restricted to using the Incentive Plan as the only method of providing incentive rewards to Employees.
- 18.2 The Company and any related body corporate of the Company may approve other incentive schemes.
- 18.3 Participation in the Incentive Plan does not affect, and is not affected by, participation in any other incentive scheme of the Company or any related body corporate of the Company unless the terms of that incentive scheme provide otherwise.

19. General provisions

19.1 Participants bound

Participants issued Awards under this Incentive Plan are bound by these Rules and by the Constitution of the Company.

19.2 Notices

Any notice required to be given by the Company to a Participant or any correspondence to be made between the Company and a Participant may be given or made by the Board or its delegate on behalf of the Company.

19.3 Any notice to be given by the Company may be given by email, and any reference to the Company giving or providing information or documents in writing includes doing so by email.

19.4 Effect on employee entitlements

Participation in the Incentive Plan does not affect an Employee's terms of employment or appointment with the Company. In particular, participation in the Incentive Plan does not detract from any right the Company may have to terminate the employment or appointment of an Employee.

19.5 Participation in the Incentive Plan, or the issuing of any Awards, does not form part of the Employee's remuneration for the purposes of determining payments in lieu of notice of termination of employment, severance payments, leave entitlements, or any other compensation payable to an Employee upon the termination of employment.

19.6 Governing law

These Rules are governed by and are to be construed in accordance with the laws of New South Wales.