

**Patrys Limited**  
**Series 2 Options**  
**Terms and conditions of issue**

**1. Definitions**

In these terms and conditions unless the context requires otherwise:

**ASX** means the Australian Stock Exchange Limited;

**Business Day** means a day which is not a Saturday, Sunday, public holiday or bank holiday in Victoria;

**Completion** means the allotment and issue of Option Shares pursuant to an Exercise Notice in accordance with clause 2.3 of these Conditions;

**Completion Date** means the date nominated by the Option Holder in the Exercise Notice;

**Conditions** means these terms and condition of issue of Options;

**Exercise Notice** means a notice from the Option Holder to the Company pursuant to clause 2.1 of these Conditions substantially in the form of the Attachment to these Conditions;

**Exercise Period** means the period commencing on the date of Listing and ending on the Expiry Date;

**Exercise Price** means for each Option within a parcel held by a Series 2 Preference Shareholder that amount payable in cash on exercise of an Option equal to:

- (a) 37.6% of the Options issued to that holder at a 45 cent exercise price per Option;
- (b) 62.4% of the Options issued to that holder at an 80 cent exercise price per Option;

**Expiry Date** means 5.00 pm (Australian Eastern Standard Time) on the fifth anniversary of the date of Listing;

**Listing** means the quotation of all the Ordinary Shares on the Official List of ASX;

**Listing Rules** means the listing rules of ASX;

**Option** means an option to acquire an Option Share;

**Option Certificate** means the certificate issued by the Company to an Option Holder in respect of an Option;

**Option Share** means an Ordinary Share issued on the exercise of an Option pursuant to these Conditions;

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

**Outstanding Options** means in relation to an Option Holder, Options which remain unexercised from time to time;

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**Qualified IPO** means the closing of an underwritten public offering of Ordinary Shares in the Company with the Company being admitted to the Official List of the ASX with gross proceeds to the Company of at least \$10 million;

**Re-organisation** means any one or more of the following:

- (a) any bonus issue by way of capitalisation of profits or reserves;
- (b) any consolidation or subdivision or reduction of capital or capital dividend or other reconstruction or adjustment relating to the share capital of the Company (or any shares or stock derived from it);
- (c) any buy back by the Company of its own shares; and
- (d) any amalgamation or reconstruction affecting the share capital of the Company (or any shares or stock derived from it);

**Series 2 Preference Shareholder** means a holder of preference shares in the Company designated as "Series 2 Preference Shares".

## **1 A: ASX Listing Rules Prevail**

In addition to the existing Series 2 option terms and conditions as detailed in this document, all option holders will hold the Series 2 Options on the terms and conditions of the ASX Listing Rules (as amended from time to time). Further, to the extent that there is any inconsistency between the Series 2 option terms and the ASX Listing Rules, the ASX Listing Rules will prevail

## **2. Exercise of Options**

### **2.1 Exercise**

An Option may be exercised at any time within the Exercise Period by the Option Holder giving the Company an Exercise Notice specifying the number of Options the Option Holder is exercising and a proposed Completion Date (which must be at least 7 Business Days after the date of the Exercise Notice).

### **2.2 Effect of Exercise Notice**

If the Option Holder delivers an Exercise Notice to the Company, then the Company and the Option Holder are irrevocably bound to complete the allotment and issue of the Option Shares to the Option Holder in accordance with these conditions.

### **2.3 Completion**

If the Option Holder gives an Exercise Notice to the Company then:

- (a) Completion of the allotment and issue of the Option Shares will occur at 2.00pm (Australian Eastern Standard Time) on the Completion Date or such other time and place as the Company and the Option Holder may agree; and
- (b) at Completion:
  - (i) the Option Holder must:

- (A) pay to the Company the Exercise Price for the number of Option Shares specified in the Exercise Notice; and
- (B) deliver to the Company the Option Certificate for the Option; and
  - (ii) the Company must:
    - (A) allot and issue the Option Shares to the Option Holder;
    - (B) apply for official quotation of the Option Shares on ASX;
    - (C) provide the Option Holder with share certificates or such other evidence of title reasonably acceptable to the Option Holder;
    - (D) cancel the Option Certificate for the Option; and
    - (E) if applicable, issue a new Option Certificate in relation to any unexercised Options.

## **2.4 Expiry**

If an Option is not exercised on or before the Expiry Date the Options will lapse and be of no further effect immediately after the passing of the Expiry Date. For the avoidance of doubt, if the Qualified IPO does not occur then an Option never becomes exercisable.

## **3. Option Shares**

All Option Shares allotted in accordance with these Conditions will rank equally in all respects with all other issued Ordinary Shares.

## **4. Rights issues**

Outstanding Options do not carry the right to participate in any bonus issues or new issues of securities by the Company.

## **5. Reconstruction**

If there is a Re-organisation of the Company, then the Exercise Price or the number of Outstanding Options (or both) must be adjusted by the board of directors of the Company strictly in compliance with the ASX Listing Rules. Any such change will be binding with respect to all Outstanding Options.

## **6. Restricted securities**

### **6.1 Undertaking**

If any Options (or any Option Shares allotted on exercise of an Option) are at any time classified as "restricted securities" (as that term is defined in the Listing Rules) then the Option Holder must, if required by the Company in order to comply with Chapter 9 of those Listing Rules, promptly enter into a restriction agreement with the Company and must ensure that any controller (as that term is defined in the Listing Rules) of the Option Holder does the same. The restriction agreement must:

- (a) be in the form of Appendix 9A of the Listing Rules (or such other form as the ASX requires); and

- (b) contain an escrow period for the duration required by the ASX.

## **6.2 Attorney**

The Option Holder irrevocably appoints the Company the true and lawful attorney of the Option Holder for the purposes of doing anything the Option Holder ought to have done under this clause 6 but for no other purpose

## **7. Additional Option Terms**

### **7.1 No listing of Options**

Options will not be listed.

### **7.2 Replacement of Options**

If this Option Certificate is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Company upon payment of the Option Holder of the expenses incurred in connection with it and on such terms as to evidence, indemnity and security as the Company may reasonably require. A mutilated or defaced Option Certificate must be surrendered before a replacement will be issued.

## **8. Notices**

- (a) Any notice from the Company in relation in connection with this Option Certificate or Options generally will be sent to the registered address of the Option Holder as recorded in the register of Option Holders.
- (b) Any notice from the Option Holder regarding Options or any other act, matter or thing to be done by the Option Holder will be done at the specified office of the Company unless the Company otherwise agrees.
- (c) The actual delivery (and risk of non delivery) of any notice under these conditions will be the responsibility of the person giving the notice and any notice to be given under or with respect to an Option is not effective until actually received by the addressee.

## **9. Governing law and jurisdiction**

These Conditions are governed by and must be construed in accordance with the laws of the State of Victoria. The parties submit to the exclusive jurisdiction of the courts of that State and the Commonwealth of Australia in respect of all matters or things arising out of these Conditions.

## **10. Duties and taxes**

The Company is not responsible for payment of any stamp duty or taxes which may subsequently become payable on the exercise of the Option or the acquisition of the Option Shares.

## Schedule – Exercise Notice

To: **Patrys Limited**

In accordance with clause 2 of the Conditions [insert name of Option Holder] (**Option Holder**) gives notice that the Option Holder:

1. exercises its rights under that clause;
2. requires you to allot and issue to it [*specify number*] Option Shares to the Option Holder for the Exercise Price; and
3. on issue of the Option Shares the Option Holder agrees to be bound by the constitution of the Company.

The Completion Date shall be [*insert date*]

The Option Holder agrees to pay the Exercise Price for each of the Options to the Company at Completion.

Terms which are used in this notice and have a defined meaning in the conditions of issue of Options have the same meaning in this notice.

Dated:

Signed for the Option Holder by its representative:

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