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Rules of the iSelect Share Option Plan 2011

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ISELECT SHARE OPTION PLAN 2011

PLAN RULES

1. Definitions and interpretation

1.1 Definitions

In these Rules, unless the context otherwise requires:

ASX means the securities exchange operated by ASX Limited (ACN 008 624 691).

Board means the board of directors of the Company or a committee appointed by the board of directors of the Company for the purposes of this Plan.

Business Day means any day other than a Saturday, Sunday or other day on which commercial banking institutions in Melbourne are authorised or required by law to be closed.

Company means iSelect Limited (ACN 124 302 932).

Constitution means the constitution of the Company as defined under the Corporations Act.

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

Eligible Employee means:

- (a) an employee of a Group Company who has been employed by the Group for not less than 6 months (or who is otherwise approved by the Board) and is declared by the Board to be an Eligible Employee for the purposes of the Plan, and who has not given or been given notice of termination of employment; or
- (b) a non-executive director of the Company.

Exercise Condition, in relation to an Option, means any condition determined by the Board and set out in the Plan Invitation in accordance with Rule 3.2(a)(vi) in relation to that Option.

Exercise Period, in relation to an Option, means the period during which the Option may be exercised in accordance with these Rules, being the period beginning on the date the Option vests in accordance with these Rules and the Plan Invitation and ending on the Last Exercise Date in relation to the Option.

Group means the Company and its Subsidiaries from time to time.

Group Company means a company which is a member of the Group.

Last Exercise Date, in relation to an Option, has the meaning given in Rule 3.2(a)(viii).

Option means a right granted under Rule 5 to subscribe for a Share on payment of the exercise price and otherwise on the terms set out in the Plan Invitation.

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Participant means:

- (a) an Eligible Employee who, in response to a Plan Invitation, returns a duly completed and executed Plan Application in accordance with Rules 4.1 and 4.2; or
- (b) the legal personal representative of any person (referred to in paragraph (a)) duly appointed on the death or legal incapacity of that person.

Plan means the iSelect Share Option Plan 2011 established and operated in accordance with these Rules.

Plan Application Date has the meaning given in Rule 3.2(a)(ix).

Plan Application means the form that the Board determines from time to time is to be used to participate in the Plan in response to a Plan Invitation.

Plan Invitation means an invitation to an Eligible Employee under Rule 3 for the Eligible Employee to apply to acquire Options under the Plan.

Qualifying Options means Options in respect of which any service conditions contained in the relevant Plan Invitation have been satisfied and which, subject to the satisfaction of any performance conditions contained in the relevant Plan Invitation, will vest and become able to be exercised.

Rules means these Rules (including the terms and conditions described in the Plan Invitation), as amended from time to time.

Shares means fully-paid ordinary shares in the capital of the Company.

Subsidiary has the meaning given in section 9 of the Corporations Act.

Testing Date, in relation to an Option, means the date on which satisfaction of any performance conditions applying in respect of the Option is to be tested, as specified in the Plan Invitation in respect of the Option.

1.2 Interpretation

In these Rules unless the context otherwise requires:

- (a) a gender includes all genders;
- (b) the singular includes the plural and conversely;
- (c) a reference to a person includes the legal personal representatives, successors and assigns of that person, and also corporations and other entities recognised by law;
- (d) a reference to any law includes that law as amended, re-enacted or replaced and any law that supersedes that law;
- (e) headings are for convenience only and do not affect the interpretation of these Rules;
- (f) reference to a Rule or paragraph is a reference to a Rule or paragraph of these Rules, or the corresponding Rule or Rules of this Plan as amended from time to time;

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- (g) where any word or phrase is given a definite meaning in these Rules, any part of speech or other grammatical form of that word or phrase has a corresponding meaning;
- (h) where the time for doing any act, matter or thing under these Rules falls on a day which is not a Business Day, it shall be done on the next succeeding Business Day; and
- (i) a reference to an act includes an omission and a reference to doing any act includes executing a document.

1.3 References to employment of Eligible Employees

A reference in these Rules to an Eligible Employee remaining employed by the Group (or similar) includes, in the case of an Eligible Employee who is a non-executive director of the Company, a reference to the Eligible Employee continuing their appointment as a non-executive director of the Company (or similar).

2. Operation of the Plan

2.1 General

This Plan must be operated in accordance with these Rules.

2.2 Binding Rules

These Rules bind the Company and each Participant.

3. Invitation to participate in the Plan

3.1 Plan Invitation

Subject to these Rules:

- (a) the Board may issue a Plan Invitation to any Eligible Employee for that Eligible Employee to participate in the Plan;
- (b) the Board has absolute discretion to determine the terms and conditions of any vesting of Options under the Plan, including any Exercise Condition, but such terms of issue must be in accordance with any applicable requirements of the Corporations Act;
- (c) the Board may amend a Plan Invitation at any time prior to the Plan Application Date.

3.2 Provision of information with Plan Invitation

- (a) A Plan Invitation must be in writing and include the following terms of issue of the relevant Options:
 - (i) the date of the Plan Invitation;
 - (ii) the name of the Eligible Employee to whom the Plan Invitation relates;

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- (iii) the number of Options to which the Plan Invitation relates;
 - (iv) the minimum number (if any) of Options that the Eligible Employee may apply for and, if an Eligible Employee may apply for less than the number of Options to which they are entitled to apply for under the Plan Invitation, the multiples (if any) in which Options must be applied for;
 - (v) the exercise price of the Options;
 - (vi) the performance conditions and/or service conditions (together the **Exercise Conditions**) that are required to be satisfied in order to exercise the Options, and the relevant Testing Date;
 - (vii) the earliest date from which an Option may be exercised, if the Option becomes exercisable;
 - (viii) the latest date on which an Option may be exercised (the **Last Exercise Date**), if the Option becomes exercisable;
 - (ix) the latest date on which a duly completed Plan Application must be received by the Company (**Plan Application Date**);
 - (x) any other terms and conditions relating to the issue of Options which in the opinion of the Board are fair and reasonable but not inconsistent with these Rules; and
 - (xi) any other information or documents that the Corporations Act or other applicable laws require the Company to give to the Eligible Employee.
- (b) A Plan Invitation must be issued with a Plan Application and such explanatory or other material in respect of the Plan as the Board considers appropriate, or as required by law.

4. Application to participate in the Plan

4.1 Plan Application

An Eligible Employee may only make an application to participate in the Plan in response to a Plan Invitation by returning a duly completed and signed Plan Application to the Company on or before the Plan Application Date.

4.2 Participant in Plan

- (a) Under the terms of the completed Plan Application, the Eligible Employee will:
- (i) offer to participate and acquire Options in accordance with the Plan Invitation;
 - (ii) agree to be bound by the terms of the Plan Invitation, the Plan Application and these Rules; and
 - (iii) consent to the collection, holding, processing and exchange of their personal data by the Group for any purpose related to the proper administration of their participation in the Plan.

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- (b) If, on returning the duly completed Plan Application in accordance with Rule 4.1, the Eligible Employee's employment with a Group Company has not ceased, the Eligible Employee, subject to Rule 4.3, becomes a Participant.

4.3 Non-acceptance of Plan Application

- (a) Notwithstanding any other provision of this Plan, an Eligible Employee has no entitlement to be granted any Options unless and until such Options are granted under Rule 5.
- (b) If the Board determines at its sole discretion not to accept a Plan Application returned to the Company in accordance with Rule 4.1, the Company will not grant to the Eligible Employee the Options applied for by the Eligible Employee and the Company shall:
 - (i) provide notification to that Eligible Employee that it does not accept that Eligible Employee's Plan Application; and
 - (ii) undertake any other action as it sees fit.

5. Grant of Options

5.1 Grant

Subject to Rule 4, as soon as practicable after the Plan Application Date the Company will:

- (a) grant the number of Options applied for in the name of the Participant;
- (b) update its options register in accordance with the Corporations Act; and
- (c) issue an Options holding statement or certificate to the Participant.

5.2 No payment for grant

No payment is required by a Participant for the grant of Options.

6. Exercise Conditions and Vesting

6.1 No exercise unless vesting occurs

An Option may only be exercised during the Exercise Period if:

- (a) the Option vests in accordance with the Exercise Conditions described in the Plan Invitation and has not lapsed under Rule 7; or
- (b) the Board determines that it considers it to be in the best interests of the Company, to vary or waive the satisfaction of relevant Exercise Conditions and declare the Option to be vested.

6.2 Exercise Conditions

- (a) The Exercise Conditions will be determined by the Board from time to time as part of the overall remuneration policies of the Company.

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- (b) The Exercise Conditions applicable to particular Options will be set out in the Plan Invitation relating to those Options.

7. Lapse of Options

7.1 Leaving the Group and other circumstances

- (a) If a Participant ceases to be an employee of any Group Company, all Options held by that Participant other than Qualifying Options or Options which have vested as at the date of cessation of employment will immediately lapse upon cessation of employment. For the purposes of this Rule 7.1(a), a Participant will not be treated as ceasing to be an employee of a Group Company if they are (but only for so long as they continue to be) employed by another Group Company.
- (b) Despite any other Rule or any other term or condition of a Plan Invitation, all Options (including Qualifying Options and vested Options) held by a Participant will immediately lapse if the Participant:
- (i) is dismissed from employment with the Group as a result of gross misconduct or fraud;
 - (ii) has their employment with the Group terminated during a probationary employment period; or
 - (iii) resigns from the Group:
 - (A) in the case of a Participant that has been in continual employment with the Group since 1 July 2010 – before 1 July 2011; and
 - (B) in all other cases - within 12 months after the date of grant of their Options.
- (c) Despite any other Rule or any other term or condition of a Plan Invitation, the Board may determine that all Options (including Qualifying Options and vested Options) held by a Participant will immediately lapse if the Participant (or, in the case of Rules 7.1(c)(i)(B) and 7.1(c)(i)(C), any agent, independent contractor or employee while employed or engaged by the Participant or by any firm or corporation in which the Participant has a substantial interest whether that interest is legally enforceable or not, and any firm or corporation in which the Participant may be interested as an employee, director, shareholder, beneficial owner or controller (whether that control can be legally enforced or not) of shares, lender or adviser or otherwise):
- (i) (A) carries on or is engaged, employed or concerned in any business which materially competes or is liable materially to compete with any business of the Group as at the date of termination of cessation of the Participant's employment by a Group Company;
 - (B) solicits or endeavours to solicit or entice away from the Group any director, employee, customer or supplier of the Group, with whom

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they have had personal business dealings within the last 12 months of the Participant's employment by a Group Company;

- (C) interferes or seeks to interfere with the continuance of supplies to the Group (or the terms relating to such supplies) from any suppliers who have been supplying goods, materials or services to the Group at any time within the last 12 months of the Participant's employment by a Group Company;
- (ii) acquires an equity interest, or economic interest, of 5% or more in a competitor of any Group Company;
- (iii) engages in a commercial transaction outside of his or her employment likely to negatively impact any of the commercial relationships of any Group Company; or
- (iv) engages in activity that, in the reasonable opinion of the Board, has caused, or is reasonably likely to cause, material damage of any kind to any member of the Group.

7.2 Lapse on Testing Date

Any Options held by a Participant which have not vested in accordance with Rule 6 by the Testing Date (and which have not otherwise lapsed in accordance with this Plan) will lapse immediately following the Testing Date.

7.3 Lapse on Last Exercise Date

Any Options which have not been exercised by the Last Exercise Date (and which have not otherwise lapsed in accordance with this Plan) will lapse immediately following the end of the Last Exercise Date.

7.4 Consequence of lapse

Upon the lapse of an Option, all of the Participant's rights in respect of that Option cease.

8. Exercise

8.1 Exercise

The exercise of any Option by a Participant may only be effected by lodging a duly completed notice of exercise in such form and manner as the Board may prescribe or accept from time to time (**Notice of Exercise**) with the Company during the Exercise Period.

8.2 Conditions of Exercise

An Option may only be exercised if during the Exercise Period:

- (a) the Option has become vested in accordance with Rule 6;
- (b) the Option has not lapsed under Rule 7 (or another provision of this Plan); and

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- (c) the exercise price of the Option has been paid to the Company (by such means and in such manner approved by the Board).

8.3 Exercise in whole or part

- (a) A Participant's vested Options may be exercised in whole or in part.
- (b) Following the exercise by a Participant of some but not all of their vested Options, a revised Option holding statement will be issued.

8.4 Issue of Shares

Following the exercise of an Option, the Company must, within such time as the Board determines, issue to the Participant the number of Shares in respect of which the Option has been exercised.

8.5 Constitution

Any Shares acquired on the exercise of Options will be subject to the Constitution of the Company from time to time.

8.6 Ranking

Any Shares issued on the exercise of Options will rank equally in all respects with all existing Shares from the date of issue.

9. Transfer of Options by Participants

- (a) Except in respect of the transmission or transfer of an Option to a Participant's legal representative upon death or the commencement of legal incapacity, or with the prior approval of the Board, neither an Option nor any right in respect of an Option may be transferred.
- (b) If a Participant purports to transfer, assign, mortgage, charge, encumber sell or otherwise dispose of an Option, whether voluntarily or involuntarily, the relevant Option will lapse immediately, unless the Board determines otherwise.

10. Capital events

10.1 Variation of capital

If there is a variation in the share capital of the Company including a capitalisation or rights issue, sub-division, consolidation or reduction of share capital, the Board may, subject to the applicable listing rules of ASX and any other relevant stock exchange (if any), make such adjustments as it considers appropriate under Rule 10.2.

10.2 Adjustments

An adjustment made under this Rule will be to one or more of the following:

- (a) the number of Shares comprised in each Option;
- (b) the exercise price for an Option; or

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- (c) where an Option has been exercised but no Shares have been issued following the exercise, the number of Shares which may be issued.

10.3 Notice of variation

As soon as reasonably practicable after making any adjustment under Rule 10.2, the Board will give notice in writing of the adjustment to any Participant affected by it.

11. Listing

If the Board proposed to list the economic entity comprising the Group on ASX or another stock exchange in circumstances involving the insertion of a new holding company above the Company and the listing of that new holding company, the Board (or any director of the Company nominated by the Board) may, on behalf of a Participant, accept an offer to exchange any of the Participant's outstanding Options for options granted by the new holding company (**Exchange Options**), provided the Board is satisfied, acting reasonably, that the terms of the Exchange Options are no less favourable to the Participant than the terms of the Options to be exchanged.

12. Dividends and participation in issues of securities

12.1 No right to participate in dividends

An Option will not give any right to participate in dividends unless, pursuant to the exercise of the relevant Option, Shares are issued to, and registered in the name of, the Participant before the record date for determining entitlements to the dividend.

12.2 No right to participate in new issues

An Option will not give any right to be entitled to participate with the holders of Shares in any issue of shares, convertible notes, securities or options in or in respect of the capital of the Company or otherwise made pro rata (or nearly pro rata) to holders of Shares.

13. Attorney

Each Participant shall be deemed to irrevocably appoint each director of the Company (each an **attorney**), severally, as the Participant's attorney to complete and execute any documents including, without limitation, applications for shares or options, share transfers or any document or agreement to give effect to the terms and conditions of this Plan and to do all acts or things on behalf of and in the name of the Participant which may be convenient or necessary for the purpose of giving effect to the provisions of the terms and conditions of this Plan, and the Participant shall be deemed to covenant that the Participant shall ratify and confirm any act or thing done pursuant to this power and shall release the Company, the Board, each Subsidiary of the Company and each attorney from any liability whatsoever arising from the exercise of the powers conferred by this Rule and shall indemnify and hold harmless the Company, the Board, each Subsidiary of the Company and the attorney in respect of such liability.

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14. Administration of the Plan

14.1 Powers of the Board

The Plan will be managed by the Board, which will have power to:

- (a) determine appropriate procedures and make regulations for the administration of the Plan consistent with these Rules;
- (b) resolve and bind the Company and the Participants absolutely regarding any question of fact, interpretation, effect or application arising in connection with the Plan;
- (c) determine matters falling for determination under these Rules in its absolute discretion having regard to the interests of and for the benefit of the Company;
- (d) exercise the discretions conferred on it by these Rules or which may otherwise be required in relation to the Plan;
- (e) delegate to any one or more persons (for such period and on such conditions as it may determine) the exercise of any of its powers or discretions arising under the Plan; and
- (f) appoint or engage specialist service providers for the operation and administration of the Plan.

14.2 Suspension or termination of Plan

- (a) The Plan may be suspended or terminated at any time by resolution of the Board.
- (b) In the event of a suspension or termination, these Rules will continue to operate with respect to any Options granted, issued or transferred under the Plan prior to that suspension or termination, and any Options to be granted, issued or transferred under the Plan as a result of any Plan Invitation which has been issued and accepted prior to that suspension or termination.

15. Contracts of employment and other employment rights

15.1 Rules not part of employment contract etc

- (a) This Plan does not form part of any contract of employment or services between any Eligible Employee and either the Company or any Subsidiary.
- (b) It is a condition of these Rules that the Plan may be terminated at any time at the discretion of the Board and that no compensation under any employment or services contract will arise as a result.

15.2 Rights of Participants

Nothing in these Rules:

- (a) confers on any Eligible Employee or Participant the right to continue as an employee of any Group Company;

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- (b) confers on any Eligible Employee the right to become or remain an Eligible Employee or to participate under the Plan;
- (c) affects any rights which a Group Company may have to terminate the employment of an Eligible Employee or Participant;
- (d) may be used to increase damages in any action brought against any Group Company in respect of any such termination; and
- (e) confers any responsibility or liability on any Group Company or its directors, officers, employees, representatives or agents in respect of any tax liabilities of the Eligible Employees or Participants.

16. Connection with other plans

Participation in the Plan does not affect, and is not affected by, participation in any other incentive or other plan operated by the Group or any Group Company unless the terms of that other plan provide otherwise or unless otherwise stated in the Plan Invitation.

17. Withholding

The Group has the power to withhold from amounts otherwise owing to the Participant, or to require the Participant to remit to it, an amount sufficient to satisfy all federal, state, local and foreign withholding tax requirements, and any other governmental imposts, in respect of any or all of the Participant's Shares, Options or entitlements to the proceeds of sale of such Shares or Options under the Plan.

18. Overriding restriction

Notwithstanding any Rule, Options may not be issued, transferred or dealt with under the Plan if to do so would contravene the Corporations Act or any other applicable laws or where the compliance with any applicable law would in the opinion of the Board be unduly onerous or impractical.

19. Amendment

19.1 General

Subject to Rule 19.2, these Rules may be amended at the direction of the Board so as to amend, add to, delete or otherwise vary the Rules at any time in any manner the Board thinks fit in its absolute discretion (**amendment**).

19.2 Limitation on amendments

No amendment to the provisions of these Rules may be made which materially reduces the rights of Participants in respect of Options in regard to which they have completed and returned a Plan Application prior to the date of the amendment, other than an amendment introduced primarily:



- (a) for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legislation or the official listing rules of ASX or any other relevant stock exchange;
- (b) to correct any manifest error or mistake; or
- (c) for the purpose of enabling Participants to receive a more favourable taxation treatment in respect of their participation in the Plan.

19.3 Error Correction

- (a) In the event that any error or mistake has been made in relation to the number of Options the subject of:
 - (i) a Plan Invitation under Rule 3.1; or
 - (ii) any holding statement or notification for Options issued under Rule 5.1, that Plan Invitation, holding statement or notification, as the case may be, shall be null and void and of no effect to the extent of any such error or mistake and the Board may in its absolute discretion, correct such error or mistake, without the need to obtain consent from the relevant Eligible Employee or relevant Participant, by notice to the Eligible Employee or that Participant and, where appropriate, may issue an amended Plan Invitation, holding statement or notification.
- (b) The Board will notify the relevant Participant within a reasonable period after discovering and correcting the error or mistake.

20. Waiver

No failure, delay, or indulgence by a person in exercising any power or right under these Rules shall operate as a waiver of such power or right. No single exercise of any power or right under this Plan shall preclude any other or future exercise of that (or any other) power or right.

21. Severance

If any provision of these Rules is rendered void, unenforceable or otherwise ineffective, such avoidance, unenforceability or ineffectiveness shall not affect the enforceability of the remaining provisions.

22. Notices

Any notice, instruction or direction given under or pursuant to these Rules:

- (a) is validly given if it is handed to the addressee, faxed to the address at the fax number last notified by that person or posted by ordinary prepaid post (first class air-mail if to an overseas address) to the last known address of the addressee;
- (b) must be signed by the sender or a person duly authorised by the sender;

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- (c) except as provided in paragraph (d), will be taken to have been given:
- (i) in the case of personal delivery, when personally received;
 - (ii) in the case of post to a domestic address, three Business Days after posting;
 - (iii) in the case of post to an overseas address, seven Business Days after posting; or
 - (iv) in the case of a fax, on production of a transmission report by the machine from which the fax was sent that indicates that the fax was transmitted in its entirety to the fax number of the addressee,
- unless it is personally received or faxed after 5.00 pm any day, in which case it shall be deemed to be received or faxed on that next succeeding Business Day;
- (d) in the case of any Plan Application, that application will not be taken to have been received by or on behalf of the Company until it is actually received by the Company at the address nominated from time to time by the Board.

23. Governing Law

These Rules are governed by the laws of Victoria. The Company and each Participant submit to the non-exclusive jurisdiction of the courts exercising jurisdiction there in connection with matters concerning these Rules.

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