

# **SAI GLOBAL LIMITED EXECUTIVE INCENTIVE PLAN**

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## **RULES of THE UK APPROVED SUB-PLAN**

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**ADOPTED BY A RESOLUTION OF THE BOARD ON 20<sup>TH</sup> OCTOBER 2006  
APPROVED BY HM REVENUE & CUSTOMS ON 1<sup>ST</sup> NOVEMBER 2006  
UNDER REFERENCE X23201**

# SAI GLOBAL LIMITED EXECUTIVE INCENTIVE PLAN

## RULES OF THE UK APPROVED SUB-PLAN

### 1 INTRODUCTION

For the purpose of granting Options under a company share option plan approved by HMRC under Schedule 4, the terms of the Main Plan shall apply to any Option which is designated as a UK Approved Option in the Offer Notice subject to the modifications set out in these Rules.

### 2 DEFINITIONS

Unless the context otherwise requires, the definitions and rules of interpretation in the Main Plan also apply to these Rules. In addition, the following words and expressions bear the meanings set out below:

<b>Associated Company</b>	has the same meaning as in paragraph 35(1) of Schedule 4;
<b>Companies Act</b>	the Companies Act 1985 of the United Kingdom;
<b>Eligible Employee</b>	any director of a member of the Group who is required to devote to his duties not less than 25 hours per week (excluding meal breaks) or any employee (other than one who is a director) of a member of the Group;
<b>Employee Tax Liability</b>	any liability of a member of the Group to account for income tax or employee's national insurance arising from the exercise of a UK Approved Option;
<b>Group</b>	the Company and any other companies of which the Company has control (within the meaning of section 840 of ICTA) and "member of the Group" shall be construed accordingly;
<b>HMRC</b>	Her Majesty's Revenue and Customs of the United Kingdom;
<b>ICTA</b>	the Income and Corporation Taxes Act 1988 of the United Kingdom;
<b>ITEPA</b>	the Income Tax (Earnings and Pensions) Act 2003 of the United Kingdom;
<b>Key Feature</b>	a provision in the UK Sub-plan which is necessary to meet the requirements of Schedule 4;
<b>Main Plan</b>	the SAI Global Limited Executive Incentive Plan, as from time to time amended;
<b>Market Value</b>	provided that this has been agreed in advance by HMRC Shares & Assets Valuation for the purpose of the UK Sub-plan, the volume weighted average price of a share on the Australian Stock Exchange for the five immediately preceding dealing days; otherwise the market value of a share determined in accordance with the provisions of Part 8 of TCGA;

<b>Schedule 4</b>	Schedule 4 to ITEPA;
<b>Subsisting Option</b>	an option, granted under the UK Sub-Plan or under another company share option plan established by the Company or an Associated Company of the Company and approved by HMRC under Schedule 4, which has neither lapsed nor been exercised;
<b>TCGA</b>	the Taxation of Chargeable Gains Act 1992 of the United Kingdom;
<b>UK Approved Option</b>	an Option granted under the UK Sub-Plan; and
<b>UK Sub-plan</b>	the UK Approved Sub-plan to the Main Plan constituted and governed by these Rules, as from time to time amended.

### **3 OFFER AND GRANT OF UK APPROVED OPTIONS**

- 3.1 No Performance Right or Performance Share shall be granted under the UK Sub-plan.
- 3.2 No UK Approved Option shall be granted before the UK Sub-plan has been approved by HMRC under Schedule 4.
- 3.3 No UK Approved Option shall be granted over Shares which do not satisfy the conditions in Part 4 of Schedule 4 (shares to which schemes can apply).
- 3.4 No UK Approved Option shall be granted to any person who is not an Eligible Employee on the Grant Date or who is precluded by paragraph 9 of Schedule 4 (the "no material interest" requirement) from participating in the UK Sub-plan.
- 3.5 The Exercise Price per Share for a UK Approved Option shall not be less than the Market Value of a Share on the day when the Board gives the Offer Notice to the Eligible Employee, pursuant to clause 3.1 of the Main Plan, agreed for the purposes of the UK Sub-plan with HMRC Shares & Assets Valuation on or before that day.
- 3.6 The Grant Date of a UK Approved Option shall not be later than 30 days after the earliest of the dealing days with reference to which the Market Value of a Share is determined for the purpose of Rule 3.5.
- 3.7 No UK Approved Option, whether vested or unvested, may be transferred, assigned or charged and any purported transfer, assignment or charge shall cause the Option to lapse forthwith.
- 3.8 Any UK Approved Option granted to an Eligible Employee shall be limited and take effect so that the aggregate Market Value of the Shares subject to that Option, when aggregated with the Market Value of shares subject to Subsisting Options granted to such Eligible Employee, shall not exceed or further exceed UK £30,000 (or such other limit from time to time specified in paragraph 6 of Schedule 4). For the purpose of this Rule 3.8, the Market Value of shares shall be calculated as at the time the options in relation to those shares were granted or at such earlier time as may have been agreed in writing with HMRC.

- 3.9 If the Vesting Conditions for a UK Approved Option include any performance targets, the performance targets shall be objective and such that, once they are satisfied, the exercise of the Option is not subject to the discretion of any person.
- 3.10 The Offer Notice and Offer Acceptance for a UK Approved Option shall be substantially in the form of Schedule 1 and Schedule 2 respectively to these Rules.
- 3.11 In clauses 6.1, 6.2, 10.1, 10.2 and 12.1 of the Main Plan, the words “unless otherwise determined by the Board” and “unless determined by the Board” shall not apply to a UK Approved Option.
- 3.12 Clause 16 of the Main Plan shall not apply to a UK Approved Option.

#### **4 EXERCISE OF UK APPROVED OPTIONS AND ALLOTMENT OF SHARES**

- 4.1 No UK Approved Option may be exercised at any time when the Participant is precluded by paragraph 9 of Schedule 4 (the “no material interest” requirement) from participating in the UK Sub-plan.
- 4.2 No UK Approved Option may be exercised unless the Shares which may be acquired on such exercise satisfy the conditions in Part 4 of Schedule 4 (shares to which schemes can apply).
- 4.3 On the death of the Participant, a UK Approved Option may be exercised only by the Participant’s legal personal representatives and may not be exercised later than 12 months after the date of his death.
- 4.4 Where a UK Approved Option is exercised after the Participant has ceased to be an Eligible Employee because of retirement, the retirement age specified in the UK Sub-Plan for the purpose of section 524 of ITEPA and paragraph 35A of Schedule 4 is 55 years.
- 4.5 Following the exercise of a UK Approved Option, the Company shall allot the Shares to the Participant, under clause 8.1 of the Main Plan, within 30 days of the exercise date.
- 4.6 If an Employee Tax Liability for any member of the Group arises on the exercise of a UK Approved Option then unless:
- (a) the Participant has indicated in the form of exercise that he will make a payment to the member of the Group of an amount equal to the Employee Tax Liability; and
  - (b) the Participant does, within 14 days of being notified by the Company of the amount of the Employee Tax Liability, make such payment to the member of the Group

the Company shall sell sufficient Shares on behalf of the Participant and arrange payment to the member of the Group of an amount equal to the Employee Tax Liability out of the proceeds of the sale to reimburse the member of the Group.

#### **5 CHANGE OF CONTROL**

- 5.1 Subject to Rules 5.2 to 5.4, if another company (the “Acquiring Company”):
- (a) obtains control of the Company (within the meaning of section 840 of ICTA) as a result of making a general offer to acquire:

- the whole of the issued ordinary share capital of the Company which is made on a condition such that, if it is met, the person making the offer will have such control, or
  - all the shares in the Company which are of the same class as the Shares; or
- (b) obtains control of the Company (within the meaning of section 840 of ICTA) as a result of a compromise or arrangement sanctioned by the court under section 425 of the Companies Act (power to compromise with creditors and members); or
- (c) becomes bound or entitled to acquire shares in the Company under sections 428 to 430 of the Companies Act (power to acquire shares of shareholders dissenting from schemes or contract approved by majority)

a Participant may agree with the Acquiring Company at any time within the Appropriate Period to release his UK Approved Option (the “**Old Option**”) in consideration of the Participant being granted an equivalent option (the “**New Option**”) over shares in the Acquiring Company or in some other company within sub-paragraph (b) or (c) of paragraph 16 of Schedule 4 (shares must be ordinary shares of certain companies).

5.2 In Rule 5.1, “**Appropriate Period**” means:

- (a) in a case falling within paragraph (a), the period of six months beginning with the time when the Acquiring Company obtains control of the Company (within the meaning of section 840 of ICTA) and any condition subject to which the offer is made is met;
- (b) in a case falling within paragraph (b), the period of six months beginning with the time when the court sanctions the compromise or arrangement; and
- (c) in a case falling within paragraph (c), the period during which the Acquiring Company remains bound or entitled as mentioned in that paragraph.

5.3 For the purpose of this Rule 5, references to sections of the Companies Act shall be construed, where the relevant event occurs in a jurisdiction other than that of the United Kingdom, as being references to similar jurisdiction acceptable to and approved by HMRC.

5.4 The New Option shall not be regarded for the purpose of Rule 5.1 as equivalent to the Old Option unless:

- (a) the shares to which the New Option relates meet the conditions specified in Part 4 of Schedule 4 (shares to which schemes can apply);
- (b) the total Market Value of the Shares which were subject to the Old Option, immediately before its release, is equal to the total Market Value, immediately after the grant, of the shares subject to the New Option;
- (c) the total amount payable by the Participant for the acquisition of shares under the New Option is equal to the total amount that would have been so payable under the Old Option; and
- (d) it is exercisable in the same manner as the Old Option and subject to the provisions of the UK Sub-plan as it had effect immediately before the release of the Old Option, except that the term “Shares” shall mean the shares which are

subject to the New Option and the term "Company" shall mean the company of which those shares form part of the share capital.

## **6 ADJUSTMENT OF UK APPROVED OPTIONS**

- 6.1 No adjustment shall be made to a UK Approved Option, under clause 11 of the Main Plan, except as permitted in paragraph 22 of Schedule 4.
- 6.2 No adjustment to a UK Approved Option, under clause 11 of the Main Plan, shall take effect until it has been approved by HMRC.
- 6.3 If the Vesting Conditions for a UK Approved Option include any performance targets, then the performance targets may only be adjusted or waived if events happen so that the original performance targets are no longer appropriate. Any adjustment shall be fair and reasonable and the adjusted performance targets shall be no more difficult to satisfy than those which they replaced.

## **7 AMENDMENT OF THE UK SUB-PLAN**

No amendment to a Key Feature which is made to these Rules (including Schedules 1 and 2) or to any of the provisions of the Main Plan which affect Options granted under the UK Sub-Plan shall be applicable to UK Approved Options unless it has been approved by HMRC.

## SCHEDULE 1

### **OFFER NOTICE**

The board of SAI Global Limited (ACN 050 611 642) is offering you Incentives under the UK Approved Sub-plan to the SAI Global Limited Executive Incentive Plan (**UK Sub-plan**), and you are invited to apply for those Incentives, on the following terms and conditions and the terms and conditions contained in the UK Sub-plan.

**Date of offer:**

**Grant Date:** *[insert date not later than 23 days after date of Offer Notice]*

**Name of Executive:**

**Residential Address:**

**Type of Incentives offered:** UK Approved Option

**Number of shares:**

**Vesting Conditions:** *[insert vesting conditions / vesting schedule]*

**Exercise Price:** *[insert price payable per share to exercise an Incentive]*

**Exercise Period:** *[insert dates and times between which an Incentive may be exercised, if applicable]*

**Restriction on transfer** You may not transfer, assign or charge your UK Approved Option

**Time Period for Acceptance of Offer:** This offer shall close and be incapable of acceptance after *[insert time am/pm]*, Sydney time on *[insert date not later than 21 days after date of Offer Notice]*.

**Additional terms and conditions:**

To accept this offer, please sign the enclosed Offer Acceptance and return it to:

***[insert name and address]***

within the time period for accepting this offer specified above.

We recommend that you obtain your own independent advice in relation to tax and any other matters in connection with this offer.

Signed for and on behalf of the Company by:

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**Signature**

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**Name and position**

## SCHEDULE 2

### **ACCEPTANCE FORM**

To SAI Global Limited

I, ..... **[insert name]** of

..... **[insert address]**

apply to take up:

**[insert number of shares]** of:

UK Approved Option

on the terms specified in the Offer Notice dated **[insert date]** and the UK Approved Sub-plan to the SAI Global Limited Executive Plan (**UK Sub-plan**).

I have read and understood and agree to be bound by the terms and conditions of the UK Sub-plan.

I acknowledge that I have had the opportunity to obtain independent advice in relation to tax and any other matters and have satisfied myself as to the consequences of my participation in the Plan.

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**Signature**

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**Name of Executive**

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**Date**