



Performance Rights Plan

Collection House Limited ACN 010 230 716

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1. Name of Plan

This document sets out the Rules of the Collection House Limited Performance Rights Plan.

2. Commencement of Plan

- (a) This Plan commences on the date determined by resolution of the Board and will continue until terminated by the Board.
- (b) The Board may terminate the Plan at any time by resolution. Such termination shall not affect the rights or obligations of a Participant or the Company which have arisen under the Plan before the date of termination and the provisions of the Plan relating to a Participant's Performance Rights shall survive termination of the Plan until fully satisfied and discharged.

3. Objectives and purpose of Plan

The Company has established this Plan for the purpose of enabling Eligible Participants to share in the ownership of the Group in order to:

- (a) assist in the reward, retention and motivation of Eligible Participants;
- (b) align the interests of Eligible Participants with the interests of the Company's Shareholders;
- (c) promote the long-term success of the Group and provide greater incentive for Eligible Participants to focus on the Group's longer term goals;
- (d) link the reward of Eligible Participants to the performance of the Group and the creation of Shareholder value; and
- (e) provide Eligible Participants with the opportunity to share in any future growth in value of the Company.

4. Definitions and Interpretation

4.1 In these Rules, unless the context otherwise requires:

Application means an application in the form set out in Schedule 1 or in such other form as the Board may from time to time prescribe, accepting an Offer from the Board to apply for Rights in the Plan;

ASIC means the Australian Securities and Investments Commission;

Associated Body Corporate means:

- (a) a related body corporate (as defined in the Corporations Act) of the Company; or
- (b) a body corporate which has Voting Power in the Company of not less than 20%; or
- (c) a body corporate in which the Company has Voting Power of not less than 20%;

ASX means the ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires;

Board means the Board of Directors of the Company from time to time;

Business Day means a day that is not a Saturday, Sunday, public holiday or bank holiday in Brisbane, Queensland;

Change of Control Event means when in relation to the Company:

- (a) a takeover bid is made, the bidder obtains Voting Power in the Company of more than 50% and the takeover bid has become unconditional; or
- (b) the court approves a scheme of arrangement under Part 5.1 of the Corporations Act which would have the effect, when implemented, of a person obtaining Voting Power of more than 50%; or
- (c) any similar event which the Board determines, in its discretion, is a Change of Control.

Class Order means ASIC Class Order [CO 14/1000] as amended or replaced;

Closing Date has the meaning given to that term in Rule 5.5(e);

Company means Collection House Limited ACN 010 230 716;

Corporations Act means *Corporations Act 2001* (Cth), as amended from time to time;

Director means any person occupying the position of a director of any Group Company (including an alternative director or managing director appointed in accordance with the relevant constitution) as the context requires;

Disclosure Document has the meaning given to that term in the Corporations Act;

Eligible Participant means:

- (a) a Director (whether executive or non-executive) of any Group Company;
- (b) a full or part time employee of any Group Company;
- (c) a casual employee or contractor of a Group Company to the extent permitted by the Class Order; or
- (d) a prospective participant, being a person to whom the Offer is made but who can only accept the Offer if an arrangement has been entered into that will result in the person becoming an Eligible Participant under paragraphs (a), (b) or (c) above,

who is declared by the Board to be eligible to receive grants of Performance Rights under the Plan;

Expiry Date has the meaning given to that term in Rule 5.5(d);

Group means the Company and each other Associated Body Corporate;

Group Company means the Company or any Associated Body Corporate;

Listing Rules or **ASX Listing Rules** means the Official Listing Rules of the ASX as amended from time to time;

Nominee means a nominee of an Eligible Participant that is one of the following:

- (a) an immediate family member of the Eligible Participant;
- (b) a company whose members comprise no persons other than the Eligible Participant or immediate family members of the Eligible Participant; or
- (c) a corporate trustee of a self-managed superannuation fund (within the meaning of the *Superannuation Industry (Supervision) Act 1993 (Cth)*) where the Eligible Participant is a director of the trustee;

Notice of Exercise means a notice from the Participant exercising the Performance Right in the form set out in Schedule 2 or in such other form as the Board may from time to time prescribe;

Offer has the meaning given to that term in Rule 5.1(a);

Offer Document means an offer document in substantially the same form as is set out in Schedule 3, or such other form as approved by the Board from time to time consistent with the Corporations Act and the Class Order;

Participant means an Eligible Participant to whom Performance Rights have been granted under the Plan, or if Rule 5.4 applies, a Nominee of the Eligible Participant to whom Performance Rights have been granted under the Plan;

Performance Hurdles means, in respect of a Performance Right, any condition set out in the Offer which must be satisfied (unless waived in accordance with the Plan) before that Performance Right will vest or any other restriction on vesting of that Performance Right specified in the Offer or in this Plan;

Performance Right or Rights means a right granted in accordance with the terms of these Rules;

Plan means the Collection House Limited Performance Rights Plan established in accordance with these Rules;

Relevant Person means:

- (a) in respect of an Eligible Participant, that person; and
- (b) in respect of a Nominee of an Eligible Participant, that Eligible Participant;

Rules means the rules of the Collection House Limited Performance Rights Plan as set out in this document as amended from time to time;

Securities Trading Policy means the Securities Trading Policy adopted by the Board on 28 June 2012 as amended from time to time;

Severe Financial Hardship means that the Relevant Person is suffering financial distress such that they may be seriously compromised in carrying out their duties, including as a result of a family tragedy, financial misfortune, serious illness, impacts of natural disaster and other serious or difficult circumstances;

Share means a fully paid ordinary share in the Company;

Shareholder means a person or company registered in the Register of Shareholders as the holder of one or more Shares and includes any person or company who is a shareholder of the Company in accordance with or for the purposes of the Corporations Act;

Special Circumstances means:

- (a) a Relevant Person ceasing to be an Eligible Participant due to:
 - (1) death or total and permanent disability of the Relevant Person; or
 - (2) retirement or redundancy of the Relevant Person;
- (b) the Relevant Person suffering Severe Financial Hardship;
- (c) any other circumstances stated to constitute “Special Circumstances” in the terms of the relevant Offer made to and accepted by the Participant; or
- (d) any other circumstances determined by the Board at any time (whether before or after the Offer) and notified to the relevant Participant, which circumstances may relate to the Participant, a class of Participant (including the Participant) or particular circumstances or class of circumstances applying to the Participant.

Test Date in relation to a Performance Hurdle, means the date at which the Performance Hurdle is to be measured;

Unvested Performance Rights means Performance Rights which are not yet exercisable in accordance with the Plan;

Vested Performance Rights means Performance Rights which are immediately exercisable in accordance with the Plan;

Vest Date means the date on which a Performance Right becomes a Vested Performance Right in accordance with Rule 8.1 or Rule 8.2 of the Plan; and

Voting Power has the meaning given to that term in the Corporations Act.

4.2 In these Rules:

- (a) Words importing any gender include all genders.
- (b) The singular includes the plural and vice versa.
- (c) Headings are included for convenience only and do not affect the construction of these Rules.
- (d) References to a statute or other law include regulations and other instruments under it and consolidations, amendments and re-enactments, or replacements of any of them.
- (e) References to the exercise of a power or discretion include a decision not to exercise the power of discretion.
- (f) The words “include”, “including” or “such as” are not used as, nor are they to be interpreted as words of limitation, and when introducing a list of items does not exclude a reference to other items whether of the same class or genus or not.
- (g) Law means common law, principles of equity, and laws made by parliament (and laws made by Parliament include State, Territory and Commonwealth laws and regulations

and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them).

- (h) A group of persons or things is a reference to any two or more of them jointly and to each of them individually.
- (i) If a period of time dates from a given day or the day of an act or event, it is to be calculated exclusive of that day.
- (j) If an act under this agreement to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next day.

4.3 Unless the context otherwise requires any word or phrase used in these Rules which is not defined but which is defined in the Listing Rules has the same effect as that contained in the Listing Rules.

5. Offer of Performance Rights

5.1 Offer

- (a) The Board may from time to time in its absolute discretion issue or cause to be issued, a written offer to any Eligible Participant (including an Eligible Participant who has previously received an Offer), to apply for up to a specified number of Performance Rights, upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines (**Offer**).
- (b) In exercising that discretion, the Board may have regard to the following (without limitation):
 - (1) the Eligible Participant's length of service with the Group;
 - (2) the contribution made by the Eligible Participant to the Group;
 - (3) the potential contribution of the Eligible Participant to the Group; or
 - (4) any other matter the Board considers in its absolute discretion relevant.
- (c) For the avoidance of doubt, nothing in this document obliges the Company at any time to make an Offer, or further Offer, to any Eligible Participant.

5.2 Offer Document

An Offer must be made using an Offer Document.

5.3 Personal Offer

Subject to Rule 5.4, an Offer is personal and is not assignable.

5.4 Nominee

- (a) Upon receipt of an Offer, an Eligible Participant may, by notice in writing to the Board, nominate a Nominee in whose favour the Eligible Participant wishes to renounce the Offer.
- (b) The Board may, in its discretion, resolve not to allow a renunciation of an Offer in favour of a Nominee without giving any reason for that decision.

5.5 Minimum Contents of Offer Document

An Offer Document must advise the Eligible Participant of the following minimum information regarding the Performance Rights:

- (a) the maximum number of Performance Rights that the Eligible Participant may apply for, or the formula for determining the number of Performance Rights that may be applied for;
- (b) the maximum number of Shares that the Participant is entitled to in respect of each Performance Right or the formula for determining the maximum number of Shares (for the avoidance of any doubt, such maximum will be subject to any application of Rule 13);
- (c) any applicable Performance Hurdles;
- (d) when Unvested Performance Rights will expire (**Expiry Date**);
- (e) the date by which an Offer must be accepted (**Closing Date**);
- (f) whether the Performance Rights must be exercised in accordance with Rule 8 or whether the Shares will be delivered automatically on vesting of the Performance Rights;
- (g) any restrictions on the method of delivery of the Shares to be delivered in respect of any Performance Right, such as that the shares must be acquired on market; and
- (h) any other information required by law or the ASX Listing Rules or considered by the Board to be relevant to the Performance Rights or the Shares to be issued or transferred in respect of the Performance Rights.

5.6 Number of Performance Rights

- (a) Subject to Rule 5.5, the number of Performance Rights to be offered to an Eligible Participant from time to time will be determined by the Board in its discretion and in accordance with applicable law and the ASX Listing Rules.
- (b) Subject to Rule 13 and unless otherwise provided by the Offer, each Performance Right will entitle the holder to subscribe for and be allotted one Share unless the Offer otherwise provides or Rule 13 applies.

5.7 No consideration

Unless otherwise provided by the Offer, Performance Rights granted under the Plan will be issued for nil cash consideration.

5.8 Performance Hurdles

A Performance Right may be made subject to Performance Hurdles as determined by the Board in its discretion and as specified in the Offer for the Performance Right.

5.9 Quotation of Performance Rights

Performance Rights will not be quoted on the ASX, except to the extent provided for by this Plan or unless the Offer provides otherwise.

5.10 Limit on Offers

The Company must have reasonable grounds to believe, when making an Offer, that the maximum number of Shares to be issued in respect of Performance Rights offered under an Offer, when aggregated with the number of Shares issued or that may be issued as a result of other offers made in the previous 3 years under the Plan or any other employee incentive scheme or similar arrangement covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer.

For the purposes of calculating this 5% limit, include:

- (a) unissued Shares over which Performance Rights, rights or other options (which remain outstanding) have been granted pursuant to offers made under this Plan and any other Group employee incentive scheme in the last 3 years; and
- (b) the number of Shares issued as a result of offers made during the previous 3 years pursuant to an employee incentive scheme,

but exclude from the 5% limit:

- (c) any offers which are received outside of Australia;
- (d) offers made under a disclosure document or product disclosure statement;
- (e) offers that do not require disclosure under section 708 of the Corporations Act; and
- (f) Performance Rights over Shares where the relevant Performance Right has lapsed.

6. Acceptance of Offer

6.1 Acceptance of Offer

An Eligible Participant (or permitted Nominee) may accept an Offer in whole or in part, by signing and returning an Application to the Company no later than the Closing Date.

6.2 Board's right to reject Application

- (a) The Board may accept or reject any Application in its absolute discretion.
- (b) Before accepting or rejecting an Application, the Board may require the Eligible Participant (or permitted Nominee) to provide any information that the Board requests concerning the person's entitlement to lodge an Application under this Plan.
- (c) The Board must promptly notify an Eligible Participant if an Application has been rejected, in whole or in part.

6.3 Participant agrees to be bound

- (a) By submitting an Application, an Eligible Participant agrees to be bound by the terms and conditions of the Offer, the Application, the Plan and the constitution of the Company, as amended from time to time.
- (b) If the Board resolves to allow a renunciation of an Offer in favour of a Nominee, the Eligible Participant will procure that the permitted Nominee accepts the Offer made to that Eligible Participant and that both the Eligible Participant and the Nominee agree to be bound by the terms and conditions of the Offer, the Application, the Plan and the Constitution of the Company, as amended from time to time.

6.4 Lapse of Offer

To the extent an Offer is not accepted in accordance with Rule 6.1, the Offer will lapse at 5.00pm (Brisbane time) on the Closing Date, unless the Board determines otherwise.

7. Grant of Performance Rights

7.1 Grant

Subject to Rule 7.2, once the Board has received and accepted a duly signed and completed Application for Performance Rights, the Company must (provided the Eligible Participant to whom the Offer was made remains an Eligible Participant) promptly grant Performance Rights to the Eligible Participant or Nominee (as the case may be), upon the terms set out in the Offer, the Application and the Plan, and upon such additional terms and conditions as the Board determines.

7.2 Approvals

The Company's obligation to grant Performance Rights is conditional on:

- (a) the grant of the Performance Rights complying with all applicable legislation and the ASX Listing Rules; and
- (b) all necessary approvals required under any applicable legislation and the ASX Listing Rules being obtained prior to the grant of the Performance Rights.

7.3 Restrictions on transfers, dealings and hedging

- (a) A Performance Right granted under the Plan is only transferable, assignable or able to be otherwise disposed or encumbered:
 - (1) in Special Circumstances with the consent of the Board (which may be withheld in its absolute discretion); or
 - (2) by force of law:
 - (A) upon death, to the Participant's legal personal representative; or
 - (B) upon bankruptcy, to the Participant's trustee in bankruptcy.
- (b) A Participant must not enter into any arrangement for the purpose of hedging, or otherwise affecting their economic exposure, to their Performance Rights.
- (c) Where the Participant purports to transfer, assign, mortgage, charge or otherwise dispose or encumber a Performance Right, other than in accordance with Rule 7.3(a), or hedge a Performance Right contrary to Rule 7.3(b), the Performance Right immediately lapses.

8. Vesting and exercise of Performance Rights

8.1 Performance Hurdles

Subject to Rule 8.2, a Performance Right granted under the Plan will not vest and, if applicable, be exercisable unless:

- (a) the Performance Hurdles (if any) attaching to that Performance Right have been satisfied; and
- (b) the Board has notified the Participant of that fact,

in which case, the Performance Right will become a Vested Performance Right.

8.2 Performance Hurdles Exceptions

Notwithstanding Rule 8.1, the Board may in its absolute discretion, by written notice to a Participant, resolve to:

- (a) waive any Performance Hurdles (if any) attaching to a Performance Right; or
- (b) determine that all, or a portion, of a Participant's Performance Rights will vest, due to:
 - (c) Special Circumstances arising in relation to a Relevant Person; or
 - (d) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company,

in which case, the Performance Right will become a Vested Performance Right.

8.3 Exercise of Performance Rights

Where an Offer of Performance Rights requires the Performance Rights to be exercised by the Participant, a Participant (or their personal legal representative where applicable) may exercise any Vested Performance Right at any time after the Performance Right has vested and before it lapses by providing the Company with a Notice of Exercise.

8.4 Exercise in part or in whole

A Participant may exercise their Performance Rights in part or in whole.

8.5 Delivery of Shares on vesting of Performance Rights

Where an Offer of Performance Rights requires Shares to be delivered on vesting of the Performance Rights:

- (a) the Company will give notice to the Participant as to the number of Shares to be delivered in respect of the Vested Performance Rights in accordance with Rule 8.1; and
- (b) within 60 days after the Performance Rights have become Vested Performance Rights, the Company will deliver the Shares in respect of the Vested Performance Rights to the Participant in accordance with Rule 10.1.

8.6 Change of Control

Upon the occurrence of a Change of Control Event:

- (a) if the Performance Hurdles that apply to particular Unvested Performance Rights held by a Participant include specifications as to the time of vesting (**Non-Exercise Period Condition**), then subject to paragraph (b), a proportion of those Unvested Performance Rights will become Vested Performance Rights on a pro rata basis

determined by the Board having regard to the number of days elapsed from the time of issue and the time at which vesting would otherwise have occurred;

- (b) if, in addition to a Non-Exercise Period Condition, other Performance Hurdles (**Performance Conditions**) apply to those Unvested Performance Rights, the Board, having regard to those Performance Conditions and the extent to which the likelihood that those conditions would have been satisfied can be estimated, may, subject to such terms and conditions as it decides, determine that:
 - (1) a lesser number of the Unvested Performance Rights than would have vested under paragraph (a) will vest and the Performance Conditions applicable to those Unvested Performance Rights are waived; or
 - (2) the Performance Conditions applicable to the Unvested Performance Rights that would vest under paragraph (a) are waived;
- (c) if only Performance Conditions apply to Unvested Performance Rights, a proportion of those Unvested Performance Rights will become Vested Performance Rights:
 - (1) subject to subparagraph (2), on a pro rata basis determined by the Board having regard to the number of days of the period in respect of which achievement of the Performance Condition is to be measured; and
 - (2) provided that the Board may, having regard to those Performance Conditions and the extent to which the likelihood that those conditions would have been satisfied can be estimated and subject to such terms and conditions as it decides, determine that a lesser number of the Unvested Performance Rights than would have vested under subparagraph (1) will vest;
- (d) the Board may in respect of a Participant and at its discretion waive Performance Hurdles and determine that more Unvested Performance Rights will become Vested Performance Rights than would otherwise be the case under paragraphs (a) to (c); and
- (e) where the Performance Rights are required to be exercised by a Participant, the Board may at its discretion and subject to such terms and conditions as it determines require that some or all of the Vested Performance Rights be exercised.

9. Lapse of Performance Rights

9.1 Time of lapse of Performance Rights

A Performance Right lapses, to the extent it has not been exercised, on the earlier to occur of:

- (a) where the Performance Hurdles (if any) applicable to that Performance Right have not been satisfied on the Test Date, the date the Board makes a determination that the Performance Right will lapse;
- (b) an unauthorised dealing in, or hedging of, the Performance Right occurring, as contemplated by Rule 7.3;
- (c) in respect of Unvested Performance Rights only, a Relevant Person ceases to be an Eligible Participant, unless the Board:
 - (1) exercises its discretion to vest the Performance Right under Rule 8.2; or

- (2) in its absolute discretion, resolves to allow the Unvested Performance Rights to remain unvested after the Relevant Person ceases to be an Eligible Participant;
- (d) in respect of Vested Performance Rights only, a Relevant Person ceases to be an Eligible Participant and the Performance Right granted in respect of that Relevant Person is not exercised within three months (or such later date as the Board determines and as may be extended pursuant to Rule 10.2) of the date the Relevant Person ceases to be an Eligible Participant;
- (e) the Board deems that a Performance Right lapses due to improper behaviour of the Relevant Person under Rule 9.2;
- (f) the Company undergoes a Change of Control Event or a winding up resolution or order is made (**Relevant Event**), and the Board does not exercise its discretion to vest the Performance Right in accordance with Rule 8.6(d) or 8.2 (as the case may be) within three months of the Relevant Event; and
- (g) the Expiry Date of the Performance Right.

9.2 Improper behaviour

Notwithstanding any other provision of this document, where a Relevant Person:

- (a) in the opinion of the Board, has committed (or it is evident the Relevant Person intends to commit) any act which amounts or would amount to any of fraud, dishonesty, negligence, wilful misconduct, incompetence, conduct which causes or is likely to cause an adverse effect on the reputation, business or operations of the Company or a breach of his or her duties or obligations to the Group;
- (b) has his or her employment or office terminated due to serious or wilful misconduct or otherwise for cause without notice; or
- (c) is convicted of a criminal offence (other than a minor traffic offence or other trivial offence which does not impact on the Relevant Person's good name and character or ability to perform his/her duties) or becomes ineligible to hold his or her office due to Part 2D.6 of the Corporations Act,

then the Board may in its absolute discretion, by written notice to the Participant, determine that any or all of the Participant's Performance Rights will lapse and the Board's decision will be final and binding.

9.3 Timing of Board decision

For the avoidance of any doubt, the exercise (or otherwise) of the Board's discretion for the purposes of Rule 9.1 and 9.2 may take place after the relevant event referred to in those Rules (having regard to the scheduling of Board meetings).

10. Acquiring Shares as a result of exercise of Performance Right

10.1 Issue or transfer of Shares

Upon exercise of a Performance Right in accordance with Rule 8.3 or as required by Rule 8.5, the Company will, subject to Rule 10.2, the Corporations Act, the ASX Listing Rules, this Plan and any applicable Offer and at its election:

- (a) issue to the Participant; or

(b) procure the transfer to the Participant of,

the Shares in respect of which the Performance Rights are exercised, together with any additional Shares an entitlement to which has arisen under Rule 13.

10.2 **Blackout Period, Takeover Restrictions and Insider Trading**

If the issue or transfer of Shares on exercise of a Performance Right would otherwise fall within a Blackout Period, or breach the insider trading or takeover provisions of the Corporations Act, the Company may delay the issue or transfer of the Shares until 10 Business Days following the expiration of the Blackout Period or the day on which the insider trading or takeover provisions no longer prevent the issue or transfer of the Shares (as the case may be).

10.3 **Withholding**

If a Participant is liable for tax, duties or other amounts on the vesting or exercise of their Performance Rights, and the Company is liable to make a payment to the appropriate authorities on account of that liability, unless the Participant and the Company agree otherwise, the Company must issue and sell such number of Shares which would otherwise be issued and allocated to the Participant so that the net proceeds of sale equal the payment the Company is required to pay to the appropriate authorities.

10.4 **Share Ranking**

Shares acquired upon exercise of the Performance Rights will upon allotment rank *pari passu* in all respects with other Shares, except as set out in this Plan or as regards any rights attaching to such Shares by reference to a record date prior to the date of their issue.

10.5 **Quotation of Shares on ASX**

The Company will apply for quotation of Shares which have been issued on the ASX within 10 Business Days after the date of allotment of those Shares.

10.6 **Sale of Shares**

- (a) There will be no transfer restrictions on Shares issued under the Plan, unless the sale, transfer or disposal by the Participant of such Shares (or any interest in them) would require the preparation of a Disclosure Document.
- (b) If a Disclosure Document would be required to give effect to the sale, transfer or disposal by the Participant of the relevant Shares, then the Participant agrees to enter into such arrangements with the Company as the Board considers appropriate to prevent the sale, transfer or disposal of the relevant Shares (or any interest in them) in a manner that would require a disclosure document to be prepared.

11. Overriding restriction on issue, transfer and exercise of Performance Rights

Notwithstanding the Rules or the terms of any Performance Right, no Performance Right may be offered, granted or exercised and no Share may be issued or transferred under the Plan if to do so:

- (a) would contravene the Corporations Act, the ASX Listing Rules or any other applicable law; or

- (b) would contravene the local laws or customs of an Eligible Participant's country of residence or in the opinion of the Board would require actions to comply with those local laws or customs which are impractical.

12. Administration of the Plan

- 12.1 The Plan will be administered by the Board. The Board may make further provisions for the operation of the Plan which are not materially inconsistent with these Rules.
- 12.2 The Board will have power to delegate the exercise of its powers or discretions arising under the Plan to any one or more persons (including, but not restricted to, a committee or sub-committee of the Board, a related body corporate of the Company or a third party) for such period and on such conditions as the Board may determine.
- 12.3 The Board may at any time appoint or engage specialist service providers for the operation and administration of the Plan.
- 12.4 The Board will ensure a complete register of Participants is maintained to facilitate efficient management and administration and to comply with regulatory reporting requirements.
- 12.5 Shares to be provided under the Plan may either be satisfied by the issue of new Shares or by the transfer of existing Shares.
- 12.6 Except as otherwise expressly provided in this Plan, the Board has absolute and unfettered discretion:
 - (a) in the exercise of any of its powers or discretions pursuant to this Plan or any Performance Rights under the Plan; and
 - (b) to act, or refrain from acting, under or in connection with this Plan or any Performance Rights under the Plan.
- 12.7 Any power or discretion which is conferred on the Board by these Rules must be exercised by the Board in the interests or for the benefit of the Company, and the Board is not, in exercising any power or discretion, under any fiduciary or other obligation to any other person.
- 12.8 The Company may from time to time require an Eligible Participant to complete and return such other documents as may be required by law to be completed by that person, or such other documents which the Company considers should, for legal, taxation or administrative reasons, be completed by that person.
- 12.9 If there is any dispute or disagreement as to the interpretation of this Plan, the Performance Rights, Performance Hurdles or any other matter relating to the Plan in any way whatsoever, the decision of the Board is final, conclusive and binding upon all persons.

13. Capital events and reorganisation

13.1 Variation of capital

If there are certain variations of the share capital of the Company, including a capitalisation, rights issue, bonus issue, sub-division, consolidation or reduction in share capital, a demerger (in whatever form) or other distribution in specie, the Board may amend the terms of the Performance Rights and the rights of the Participant to the extent necessary to comply with the Listing Rules at the time of the variation and make such adjustments as it considers

appropriate under Rule 13.2, in a manner consistent with the Corporations Act and the provisions of the Listing Rules.

13.2 Adjustments

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

- (a) the number of Shares subject to any Performance Right; or
- (b) where a Performance Right has vested and, if required, has been exercised but no Shares have been issued or transferred, the number of Shares which may be issued or transferred.

13.3 Notice of variation

As soon as reasonably practicable after making any adjustment under Rule 13.2, the Board will give notice in writing of the adjustment to any Participant affected by it and, to the extent required, to the ASX.

13.4 Cumulative Adjustments

Effect will be given to Rule 13.2 in such manner that the effect of the successive applications of them is cumulative, with the intention being that the adjustments they progressively effect will reflect previous adjustments.

14. Rights of Participants

- (a) The rights and obligations of an Eligible Participant under the terms of their office, employment or contract with a Group Company are not affected by their participating in the Plan.
- (b) No Eligible Participant or Participant (as the case may be) will have any rights to compensation or damages in consequence of:
 - (1) the termination of their office, employment or other contract (for any reason) with a Group Company, where those rights to compensation or damage allegedly arise, or may arise, as a result of the Participant ceasing to have rights under the Plan as a result of such termination; or
 - (2) the lapsing of Performance Rights in accordance with the Plan.
- (c) Nothing in this Plan, participation in the Plan or the terms of any Performance Right:
 - (1) confers on any person any expectation to become a Participant;
 - (2) affects the rights of any Group Company to terminate the employment, engagement or office of an Eligible Participant or a Participant (as the case may be);
 - (3) affects the rights and obligations of any Eligible Participant or Participant (as the case may be) under the terms of their employment, engagement or office with any Group Company;
 - (4) forms part of, or is incorporated into, any contract of a Participant (whether or not they are an employee of a Group Company);

- (5) confers on any Participant the right to continue as an employee of any Group Company;
 - (6) confers any legal or equitable right on an Eligible Participant or a Participant (as the case may be) whatsoever to take action against any Group Company in respect of their employment, engagement or office;
 - (7) confers on an Eligible Participant or a Participant (as the case may be) any rights to compensation or damages in consequence of the termination of their employment, engagement or office by any Group Company for any reason whatsoever including ceasing to have rights under the Plan as a result of such termination; or
 - (8) confers any responsibility or liability on any Group Company or its directors, officers, employees, representatives or agents in respect of any taxation liabilities of the Eligible Participant or Participant (as the case may be).
- (d) There are no participating rights or entitlements inherent in the Performance Rights and Participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights without exercising the Performance Right.

15. Dividends and voting rights

Participants who are holding a Performance Right issued pursuant to the Plan have no rights to dividends and no rights to vote at meetings of the Company until the Share in respect of that Performance Right has been issued or transferred and the Participant is the holder of a valid Share in the Company.

16. No advice or representation

- 16.1 There are legal and tax consequences associated with participation in the Plan. Eligible Participants (and if applicable, their Nominee) must ensure that they understand these consequences before submitting an Application.
- 16.2 Each person who completes and returns an Application to the Company acknowledges and agrees that each Group Company and its officers and employees make no representation or warranty concerning the financial consequences or benefits, or taxation consequences, of participating in the Plan.
- 16.3 Participants are advised that any advice given by a Group Company and its officers, employees and representatives is general advice only. Participants should consider obtaining their own financial product advice from an independent person who is licensed by ASIC to give such advice.

17. Taxation

- 17.1 Neither the Company nor its Directors, officers, employees, representatives or agents take any responsibility or assume any liability for the taxation liabilities of Participants that arise in connection with the grant, vesting, or exercise of any Performance Right.
- 17.2 If any person (excluding the Participant but including any Group Company) is obliged as a result of, or in connection with, the grant, vesting, or exercise of any Performance Right to

account for income tax or employment taxes under any wage, withholding or other arrangements for any other tax, social security contributions or levy or charge of a similar nature, then that person is entitled to be reimbursed by the Participant for the amounts so paid or payable.

- 17.3 Where Rule 17.2 applies, the Company is not obliged to pay the relevant amount or issue or transfer the relevant Shares to the Participant, unless the relevant person is satisfied that arrangements have been made for reimbursement. Those arrangements may include, without limitation, the sale, on behalf of the Participant, of Shares issued or transferred or otherwise to be issued or transferred to the Participant and, where this happens, the Participant will also reimburse the costs of any such sale.

18. Compliance with ASX Listing Rules and law

- 18.1 The terms and conditions of the Plan must at all times comply with the ASX Listing Rules. If there is any inconsistency between the terms and conditions of the Plan and the ASX Listing Rules, then the ASX Listing Rules will prevail.
- 18.2 Notwithstanding Rule 18.1 of these Rules, no Performance Right may be offered, issued, vested or exercised if to do so:
- (a) would contravene the Corporations Act;
 - (b) would contravene the Company's Securities Trading Policy;
 - (c) would contravene the Company's constitution; or
 - (d) would contravene the local laws or customs of a country of residence of a Participant or Relevant Person (as the case may be) or in the opinion of the Board would require actions to comply with those local laws or customs which are impractical.

19. ASIC Relief

- (a) Notwithstanding any other provisions of the Plan, every covenant or other provision set out in an exemption or modification granted from time to time by ASIC in respect of the Plan pursuant to its power to exempt and modify the Corporations Act (including for the avoidance of any doubt, the Class Order) and required to be included in the Plan in order for that exemption or modification to have full effect, is deemed to be contained in the Plan.
- (b) To the extent that any covenant or other provision deemed by this Rule to be contained in the Plan is inconsistent with any other provision in the Plan, the deemed covenant or other provision shall prevail.

20. Amendments to the Plan

20.1 Power to amend Plan

Subject to Rules 20.2 and 20.3 the Board may at any time by written instrument, amend all or any of the provisions of these Rules, including this Rule 20. Any amendment to the Rules is subject to any restrictions or procedural requirements imposed by the ASX Listing Rules or the Corporations Act.

20.2 Amendment

Any amendment to the provisions of these Rules must not materially reduce the rights of any Participant or Relevant Person (as the case may be) as they existed before the date of the amendment without the consent of the relevant Participant or Relevant Person, unless the amendment is introduced primarily:

- (a) for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legislation applicable to the Company or governing or regulating the maintenance or operation of the Plan or like plans;
- (b) for the purposes of complying with or conforming to present or future policy or practice of the Australian Securities and Investments Commission or other regulatory body governing or regulating the maintenance or operation of the Plan or like Plans;
- (c) to correct any manifest error or mistake;
- (d) to enable the Plan to comply with the Corporations Act, the ASX Listing Rules or any other relevant market rules or the Company's Constitution.
- (e) to take into account possible adverse taxation implications in respect of the Plan, including:
 - (1) changes to applicable taxation legislation (including an official announcement by the Commonwealth of Australia) or the interpretation of that legislation by a court of competent jurisdiction or any rulings from taxation authorities administering such legislation;
 - (2) to enable contributions or other amounts paid by a Participant or Relevant Person (as the case may be) to the Plan to qualify as income tax deductions for that person; or
 - (3) for reasons relating to the amount payable under fringe benefits tax.

20.3 Subject to Rule 20.2, any amendment made under Rule 20.1 may be given retrospective effect as specified in the written instrument by which the amendment is made.

20.4 As soon as reasonably practicable after making any amendment under Rule 20.1, the Board will give notice in writing of that amendment to any Participant affected by the amendment.

21. Termination or Suspension of the Plan

21.1 The Plan may be terminated or suspended at any time by resolution of the Board and notification thereof to the ASX in accordance with the ASX Listing Rules.

21.2 The period of suspension is at the discretion of the Board.

21.3 A suspension of the Plan takes effect on the date determined by the Board and must be notified to the Participants under this Plan.

21.4 The suspension or termination of the Plan will not prejudice the existing rights of Participants. The Board will continue to administer the Plan during the period of any suspension and after the Plan has been terminated until all Performance Rights have been exercised, vested or have lapsed.

22. Governing Law

- 22.1 The Plan, the Rules and the operation of the Plan shall be governed by the laws of the State of Queensland.
- 22.2 Each Participant and the Company irrevocably and unconditionally submits to the non-exclusive jurisdiction of the Courts of Queensland.



Schedule 1 – Application

COLLECTION HOUSE LIMITED (ACN 010 230 716)

Collection House Limited
Performance Rights Plan

Collection House Limited ACN 010 230 716 (**Company**) has invited you (or your Nominee), by an offer dated [insert] (**Offer**), to apply for the grant under its Performance Rights Plan (**Plan**) of certain Performance Rights.

APPLICATION FOR RIGHTS

I,

of

hereby apply for Performance Rights, in accordance with the terms and conditions of the Offer made to me by the Board of the Company under Rule 5 of the Plan.

In applying for the grant of Performance Rights under the Offer, I acknowledge and agree:

- to be entered on the relevant register of the Company as the holder of the Performance Rights applied for, and any Shares issued or transferred in respect of those Performance Rights;
- to be bound by the constitution and Securities Trading Policy of the Company, the terms and conditions of the Plan and the Offer;
- a copy of the full terms of the Plan has been provided to me;
- to appoint the Company Secretary as my attorney to complete and execute any documents and do all acts on my behalf which may be convenient or necessary for the purposes of giving effect to the provisions of the Plan (if applicable); and
- that any tax liability arising from the Company accepting my application for Performance Rights under the Plan or the issue or transfer of Shares in respect of the Performance Rights is my responsibility and not that of the Company.

Terms used in this document shall have the meaning ascribed to them in the Plan.

Dated this day of 20

Signed:

Name:



Schedule 2 – Notice of exercise of Performance Rights

COLLECTION HOUSE LIMITED
(ACN 010 230 716)

Collection House Limited
Performance Rights Plan

NOTICE OF EXERCISE FORM

To: The Board
Collection House Limited ACN 010 230 716 (Company)

I,

of

hereby exercise my Performance Rights to subscribe for and apply for

..... fully paid (in words) (in figures)
Ordinary Shares in the capital of the Company.

I request you allot to me and I agree to accept the Shares subject to the Plan, the constitution and Securities Trading Policy of the Company. If this application is signed by an attorney, the attorney hereby declares that he has no notice of revocation of the power under authority of which this application is signed.

Terms used in this document shall have the meaning ascribed to them in the Collection House Limited Performance Rights Plan.

Signed:

Date:

Schedule 3 – Offer Document

COLLECTION HOUSE LIMITED (ACN 010 230 716)

«First_Name» «Last_Name»
C/- Collection House Limited
Level 7, 515 St Pauls Terrace
Fortitude Valley, QLD 4006

PERFORMANCE RIGHTS PLAN OFFER DOCUMENT

##date##

Dear «First_Name»,

On behalf of the Board of Collection House Limited ACN 010 230 716 (**Company** or **Collection House**), I am pleased to make an offer to you of Performance Rights under the Company's Performance Rights Plan (**Plan**) on the terms of this Offer Document (**Offer**). Terms used in this Offer Document have the same meaning as used in the Plan.

Performance Rights

Under the terms of the Plan, you are invited to apply for a maximum of «ALLOCATION» Performance Rights, which may be converted to Shares in Collection House in accordance with the Plan and this Offer Document.

[No amount shall be payable by you upon either the grant [or exercise] of the Performance Rights].

Performance Hurdles

The Performance Hurdles applicable to the Performance Rights are as follows:

- (a) [insert]; and
- (b) [insert].

Details with respect to each Performance Hurdle are set out below.

[insert further detail as required].

The Test Date in respect of the Performance Hurdles is [insert].

Vesting of Performance Rights

In accordance with the Plan and notwithstanding the fact that the Performance Hurdles are tested as at the Test Date, the Performance Rights will not vest [(and therefore become capable of exercise)] until the Board notifies you of their vesting, either in accordance with Rule 8.1 or Rule 8.2 of the Plan (**Board Notification**).

Having regard to the scheduling of meetings of the Board, this date will usually occur at some point after the Test Date. The date of the Board Notification will constitute the Vest Date, at which point you [will be able to exercise] [will be automatically allocated Shares in respect of] such number of Performance Rights as has been notified to you in the Board Notification.

Terms of the Performance Rights and Plan

The grant of the Performance Rights is subject to the terms of the Plan, including the Company obtaining any necessary Shareholder approvals and you remaining an Eligible Participant at the time the Performance Rights are to be granted, [exercised] and converted into Shares (subject to a number of exceptions). A copy of the Plan is attached to this Offer Document. This Offer Document must be read in conjunction with and subject to the Plan on the basis that the terms of the Plan must prevail to the extent of any inconsistency between the Plan and this Offer Document.

[Expiry Date]

To the extent that the Performance Rights have not been exercised or have otherwise lapsed in accordance with the Plan, they will expire on 5.00pm Brisbane time on [date] (**Expiry Date**). No Performance Right will be capable of being exercised after the Expiry Date.]

Market Price of Securities

Collection House undertakes to provide the market price of the underlying Shares to which the Performance Rights relate to a Participant who requests such information. The current market price of the underlying Shares to which the Performance Rights relate can also be found on the ASX (ASX:CLH).

Tax Consequences

As with any financial instrument, Performance Rights can in certain circumstances have a detrimental financial taxation impact on individuals. If you are unsure as to the taxation implications associated with holding [or exercising] [or receiving Shares in respect of] Performance Rights, we strongly urge you to seek independent legal and financial advice before making any decisions with regard to the Company's Offer.

Risk

You should be aware that the business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact on the value of an investment in the securities of the Company, including Performance Rights offered under the Plan, and Shares issued or transferred in respect of the Performance Rights.

Advice Given

Any advice given by Collection House in relation to the Performance Rights, or underlying Shares offered under the Plan, does not take into account your objectives, financial situation and needs (including financial or taxation issues) and is general advice only.

This Offer and all other documents provided to you at the time of this Offer contain general advice only and you should consider obtaining your own financial product advice from an independent person who is licensed by ASIC to give such advice. You are advised to seek independent professional advice regarding the Australian tax consequences of the grant of Performance Rights and the acquiring and disposing of any Shares that are issued or transferred on conversion of Performance Rights under the Plan according to your own circumstances.

Use of Nominee

You may apply for the Performance Rights to be registered in your name, or in a Nominee's name. Examples of acceptable Nominees are set out in the Plan. Please discuss this with the Company Secretary if you have any queries.

Acceptance of Offer

If you choose to accept the Offer to participate in the Collection House Performance Rights Plan, you must sign and lodge the Application with the Company Secretary by no later than close of business [date] (**Closing Date**) at which point the Offer will close and lapse.

Performance Rights Plan



Please confirm your (or your Nominee's) acceptance of the Offer set out in this letter by completing the Application below and returning it to the Company by no later than the Closing Date.

Yours faithfully
COLLECTION HOUSE LIMITED

[insert]