

MyState Limited Executive Long Term Incentive Plan Rules

30 March 2009

CONTENTS

1.	Purpose	1
2.	Definitions	1
3.	Offer, Application and Allocation of Shares	3
4.	Funding of Shares	7
5.	Maximum Number of Shares	7
6.	Ranking of Shares and the Trustee	8
7.	Restrictions on Sale or Transfer of the Shares	9
8.	Amendment and Termination	10
9.	Powers of the Board	10
10.	Powers of the Plan Administrator	11
11.	Contracts of Employment and Other Employment Rights	11
12.	Notices	12
13.	Plan Costs	12
14.	Operation of the Plan	12
15.	General	12
16.	Governing Law	12

MyState Limited

(ABN 26 133 623 962)

MYSTATE LIMITED EXECUTIVE LONG TERM INCENTIVE PLAN RULES

1. Purpose

The purpose of the Plan is to provide Executives with the opportunity to be rewarded with Shares for helping to create long term value for shareholders of MyState Limited.

2. Definitions

2.1 In these Rules, unless the contrary intention appears:

Application Form means the form that the Board determines from time to time is to be used by Executives to accept an Offer to participate in the Plan.

ASX means Australian Securities Exchange Limited or the stock market conducted by Australian Securities Exchange Limited (as the context requires).

Board means all or some of the Directors acting as a board or the person or persons to whom the Board has delegated all or any of its powers.

Capital Event means any of the following:

- (a) a person acquiring a relevant interest (within the meaning of section 608 of the Corporations Act 2001) in more than fifty percent (50%) of the Shares in the Company as a result of a takeover bid;
- (b) a person acquiring a relevant interest (within the meaning of section 608 of the Corporations Act 2001) in more than fifty percent (50%) of the Shares in the Company through a scheme of arrangement; or
- (c) any other event which the Board determines in its absolute discretion to be a Capital Event.

Company means MyState Limited ABN 26 133 623 962 or any associated Company.

Director means a director of the Company.

Executive means a person whom the Board determines to be in full time employment or permanent part time employment of the Company and who is an Executive Officer of the Company or such other employee of the Company as determined by the Board in its absolute discretion.

Executive Officer means a person who is concerned in or takes part in the management of the Company.

Law means the applicable law of every jurisdiction that may apply in relation to the Plan.

Listing Rules means the official listing rules of the ASX as they apply to the Company for the time being.

LTIP Shares means all or any of the Shares the subject of an Offer, as the context requires.

Offer means an invitation made under Rule 3.1 to an Executive to participate in the Plan.

Participant means an Executive who has accepted an Offer under the Plan.

Performance Criteria means, in relation to an LTIP Share, the performance criteria and other terms and conditions prescribed by the Board from time to time under Rule 3.3.

Performance Period means, in relation to an LTIP Share, the performance period described in Rule 3.2.

Plan means the MyState Limited Executive Share Plan as set out in these Rules, as altered or added to under Rule 8.

Plan Administrator means the person appointed by the Board to carry out the day to day administration of the Plan.

Qualifying Reason means:

- (a) the death, total and permanent disability (as determined by the Board in its absolute discretion), retirement at normal retirement age or redundancy, of the Participant; or
- (b) any other reason as determined by the Board in its absolute discretion.

Rules means the rules of the Plan set out in this document, as amended from time to time.

Share means a fully paid ordinary share in the Company.

Trust means the MyState Limited Executive Share Plan Trust.

Trust Deed means the deed establishing the Trust as amended from time to time.

Trustee means the trustee of the Trust from time to time.

Unallocated Share means a Share (including a bonus Share and a Share which has been forfeited in accordance with the Rules) held by the Trustee which has not been allocated to a Participant.

2.2 In these Rules, unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (a) the masculine gender shall include the feminine and neuter genders and vice versa;
- (b) a reference to a person includes the legal personal representative of that person and also corporations and other entities recognised by Law;
- (c) reference to a clause or paragraph is a reference to a clause or paragraph of these Rules, or the corresponding Rule or Rules of this Plan as amended from time to time;
- (d) headings are for convenience only and do not affect the interpretation of these Rules;
- (e) references to any Law or the Listing Rules includes that Law or the Listing Rules as amended, re-enacted or replaced and any Law or any Listing Rule that supersedes that Law or any Listing Rule (as the case may be); and
- (f) references to any Law includes any legislation, statutory instrument, regulation, binding determination and ruling made in connection with that Law.

2.3 If any part of these Rules is held in law to be void, voidable, unenforceable or illegal, that provision shall be deemed modified to the extent required to comply with that law or, if necessary, shall be severed from the rest of the Rules and the remainder of the Rules shall have full force and effect.

3. Offer, Application and Allocation of Shares

Eligibility

3.1 The Board may in its absolute discretion make an Offer to an Executive selected by the Board. In selecting an Executive to receive an Offer, the Board may have regard to:

- (a) the Executive's length of service with the Company;
- (b) the contribution made by the Executive to the Company;

- (c) the potential contribution to be made by the Executive to the Company; and
- (d) any other matters the Board considers relevant.

Performance Periods

- 3.2 The Board in its absolute discretion may prescribe Performance Periods applicable to LTIP Shares.

Performance Criteria

- 3.3 The Board may, in its absolute discretion, prescribe Performance Criteria applicable to LTIP Shares.

Offer to Participate in the Plan

- 3.4 Any Offer to an Executive shall be in writing and shall specify:
 - (a) the date of the Offer;
 - (b) the Performance Period applicable to the LTIP Shares;
 - (c) the Performance Criteria applicable to the LTIP Shares;
 - (d) the maximum number of LTIP Shares the subject of the Offer;
 - (e) the closing time and date for the acceptance of the Offer;
 - (f) the minimum holding periods in relation to any or all of the Shares allocated in respect of LTIP Shares; and
 - (g) any other terms and conditions relating to the Offer which in the opinion of the Board are fair and reasonable and not inconsistent with these Rules.

Acceptance by Executive

- 3.5 An Executive accepts the terms of an Offer by completing and signing the appropriate Application Form and returning it to the company secretary of the Company, or any other person notified by the Board in its absolute discretion, by the time and date specified in the Offer. Upon acceptance an Executive becomes a Participant in the Plan from the date specified in the Offer and agrees to be bound by these Rules.
- 3.6 For the avoidance of doubt, acceptance of an Offer by a Participant does not give the Participant a legal or beneficial interest in a Share. A Participant will only have an entitlement to a Share on satisfaction of the Performance Criteria relevant to the Offer and otherwise in accordance with the Offer and these Rules.

Allocation upon Satisfaction of Performance Criteria

- 3.7 If, and as soon as possible after, the Performance Criteria applicable to the LTIP Shares for a Participant have been satisfied, the Company must direct the Trustee to allocate to the Participant's account the number of Shares to which the Participant is entitled under the terms of the Offer, which Shares shall be held on behalf of the Participant in accordance with these Rules and the Trust Deed.

Terms of Allocation

- 3.8 Shares must be allocated on the terms of these Rules and each Participant will be taken to have agreed to be bound by these Rules on acceptance of any Offer.
- 3.9 The Participant must not sell, transfer, mortgage, charge or otherwise dispose of, deal with or encumber any Shares acquired under the Plan, other than in accordance with Rule 7.

Change of Control

- 3.10 Unless the Board determines otherwise –

If a Capital Event occurs:

- (a) a Participant will be allocated the number of Shares which is equal to fifty percent (50%) of the number of LTIP Shares granted to the Participant in respect of a current Offer for which Shares have not otherwise been allocated under Rule 3.7 as if the Performance Criteria for those LTIP Shares had been satisfied; and
- (b) the Participant will be allocated the number of Shares which is equal to the remaining fifty percent (50%) of the number of LTIP Shares granted to the Participant in respect of a current Offer at the earlier of:
 - (i) the date which is twelve (12) months after the date the Capital Event occurs; and
 - (ii) the date upon which the employment of the Participant is terminated by the Company.

Cessation of Employment

- 3.11 (a) Where a Participant ceases to be employed by the Company because of a Qualifying Reason, the Participant will be allocated the number of Shares which is equal to the number of LTIP Shares granted to the Participant in respect of a current Offer for which Shares have not otherwise been allocated under Rule 3.7 on the following basis:
- (i) if less than a third of the Performance Period has elapsed no Shares will be allocated in respect of the LTIP Shares; and

- (ii) if more than a third of the Performance Period has elapsed, the number of Shares that will be allocated in respect of the LTIP Shares shall be determined on the following basis:

Step 1. Work out the number of days from the beginning of the Performance Period up to and including the date of cessation of employment.

Step 2. Divide the result from Step 1 by the number of days in the Performance Period.

Step 3. Multiply the number of LTIP Shares which have not otherwise been allocated under Rule 3.7 by the result from Step 2.

This is the pro-rated number of LTIP Shares in respect of which Shares may be allocated to the Participant under Rule 3.7, subject to application of the relevant Performance Criteria.

Step 4. Apply the Performance Criteria for the Performance Period (over the full term of the Performance Period unless the Board at its discretion determines that the test should be applied over a shorter period) to determine how many of the pro-rated number of LTIP Shares will be allocated to the Participant.

- (b) Where a Participant ceases to be employed by the Company in any other circumstance, any rights and obligations of the Participant relating to LTIP Shares in respect of which Shares have not been allocated automatically terminate unless the Board at its discretion determines otherwise.
- (c) The Board may, at its discretion, allocate Shares to Participants in respect of LTIP Shares in circumstances where, in the Board's view, it would otherwise be unfair not to allocate Shares.

Adjustment

3.12 The number of LTIP Shares in respect of which a Participant may be entitled to Shares under the Plan may, at the discretion of the Board (but subject to applicable Listing Rules), be determined to be such number as is appropriate following upon any variation in the share capital of the Company arising from:

- (a) a reduction, subdivision or consolidation of share capital;
- (b) a re-organisation of share capital;
- (c) a distribution of assets in specie;
- (d) the payment of a dividend, otherwise than in the ordinary course, of an amount substantially in excess of the Company's normal distribution policy; or

- (e) any issue of Shares or other equity, securities or instruments which convert into Shares by way of capitalisation of profits or reserves.

Upon any adjustment being made pursuant to this Rule the Board must notify each Participant in writing, informing them of the change in the number of LTIP Shares applicable to the Participant.

The Company will only exercise its powers pursuant to this Rule if allowed by or pursuant to the Listing Rules.

4. Funding of Shares

- 4.1. In accordance with the Trust Deed, the Company may from time to time (in its absolute discretion) by notice in writing direct the Trustee to purchase Shares on the ASX or to subscribe for Shares for the purposes of the Plan. The Company must at the Board's discretion provide money to the Trustee or any other person to fund the purchase of Shares on the ASX or for the Trustee to subscribe for Shares, for the purposes of the Plan. The purchase of Shares on the ASX is subject to compliance with the provisions of the Corporations Act 2001.
- 4.2. Subject to these Rules, Shares purchased by or issued to the Trustee under this Plan are to be held by the Trustee in accordance with the Trust Deed. Shares are to be registered in the name of the Trustee and allocated to the accounts of Participants as and when those participants become entitled to them in accordance with these Rules.

5. Maximum Number of Shares

- 5.1 Shares must not be offered under this Plan if the number of Shares to be offered, when aggregated with:
 - (a) the number of Shares which would be issued if each outstanding offer with respect to Shares, units of Shares and options to acquire unissued Shares or units of Shares, being offers made or options acquired pursuant to an employee share or option scheme extended only to employees or directors of the Company and its associated bodies corporate, were accepted or exercised (as the case may be); and
 - (b) the number of Shares issued during the previous 5 years pursuant to any employee share or option scheme extended only to employees or directors of the Company and its associated bodies corporate,
but disregarding any offer made, or option acquired or Share issued by way of or as a result of:
 - (c) an offer to a person situated at the time of receipt of the offer outside of Australia; or
 - (d) offers that were excluded offers or invitations within the meaning of the Corporations Law as it stood prior to 13 March 2000; or

- (e) an offer that did not need disclosure to investors because of section 708 of the Corporations Act 2001 (or a previous equivalent) including offers to Executive Officers,

would exceed 5% of the total number of issued Shares of the Company as at the time of the Offer.

- 5.2. Shares may not be allocated under this Plan to the extent that, immediately following the allocation, the Shares, together with the Shares issued or allocated under every other employee incentive scheme of the Company, in the period of five (5) years preceding the date of Offer would, if exercised, result in the issue of a number of Shares which would exceed ten percent (10%) of the issued capital of the Company as at the date of Offer. For the purposes of this Rule 5.2, Shares includes both direct issue Shares and Shares that have been and will be issued as the result of the exercise of options.
- 5.3. Shares must not be allocated under this Plan to the extent that, immediately following the allocation, the Participant would hold a legal or beneficial interest in more than five percent (5%) of the Shares in the Company.
- 5.4. Shares must not be allocated under this Plan to the extent that, immediately following the allocation, the Participant would be in a position to cast, or control the casting of, more than five percent (5%) of the maximum number of votes that might be cast at a general meeting of the Company.

6. Ranking of Shares and the Trustee

Ranking of Shares

- 6.1 Shares allocated under the Plan shall rank equally with all other existing Shares in all respects, including voting rights and entitlement to participate in dividends and in future rights and bonus issues.
- 6.2 If the Company reconstructs its capital in any way, Shares allocated under the Plan will be affected in the same way as other Shares.

Trustee

- 6.3 While the Trustee holds Shares upon trust for a Participant:
 - (a) the Trustee will exercise the voting rights attached to those Shares in the manner directed by the relevant Participant and in the absence in any direction in relation to the Shares, will not vote in respect of them; and
 - (b) where there is a choice whether or not to receive dividends on the Shares, the Trustee will choose to receive dividends rather than any other available benefit.

7. Restrictions on Sale or Transfer of the Shares

- 7.1 Subject to Rule 7.6, the Trustee must not sell or transfer a Share allocated to a Participant's account before the earliest of:
- (a) the end of a period of ten (10) years after the date of offer of the LTIP Share in respect of which the Share was allocated;
 - (b) the time when the Participant ceases to be an employee of the Company;
 - (c) the time that a Capital Event occurs; and
 - (d) the time the Trustee receives the written consent of the Board to an application for the sale or transfer of the Shares by the Participant.
- 7.2 Upon the happening of the earliest of the events referred to in Rule 7.1, a Participant has 2 months to either:
- (a) give the Trustee a notice that the Participant wishes to arrange through the Trustee the sale of all the Shares held by the Trustee on behalf of the Participant; or
 - (b) give the Trustee a notice to transfer the Shares held on behalf of the Participant to the Participant.
- 7.3 Where the Trustee sells Shares under this Rule 7, the Trustee:
- (a) must sell the Shares at or above the then current market value of the Shares;
 - (b) has no obligation to maximise the sale price of the Shares;
 - (c) may sell the Shares with any other Shares (whether or not held for the Participant or any other Participant); and
 - (d) in relation to its obligation (if any) to pay the proceeds of sale to the Participant, may:
 - (i) deduct any costs of the sale before making a payment to the Participant; and
 - (ii) attribute a sale price to each Share as the Trustee considers appropriate.
- 7.4 If the Trustee does not receive a notice in accordance with Rule 7.2, then the Trustee must transfer the Shares allocated to a Participant's account to the Participant as soon as practicable and in any event within 12 months of the end of the notice period referred to in Rule 7.2.
- 7.5 A Participant will not have any claim against the Trustee or the Company as a result of the exercise by the Trustee of a power, discretion or determination under this Rule 7.

- 7.6 A Participant will forfeit Shares allocated to their account under this Plan if, in the opinion of the Board, the Participant is dismissed with cause or commits an act of fraud or defalcation in relation to the affairs of the Company while such Shares are held by the Trustee. If a Participant forfeits any Shares under this Rule, the Trustee shall at its discretion either hold those forfeited Shares as Unallocated Shares or sell the Shares, in which latter case the proceeds shall be treated as an accretion to the corpus of the Trust. A Participant shall have no entitlements to any proceeds in respect to the sale of Shares under this Rule.
- 7.7 The Company may administer its register of members, and do all things necessary or desirable, for the purpose of preventing a breach of Rule 7.1.

8. Amendment and Termination

Amendment

- 8.1. The Company may at any time by written instrument or by resolution of the Board amend all or any of the provisions of these Rules (including this Rule 8.1). Notwithstanding the foregoing provision, no amendment is to reduce the rights of a Participant in respect of either LTIP Shares or Shares held by the Trustee on behalf of the Participant where those Shares were held by the Trustee on behalf of the Participant prior to the date of the amendment.
- 8.2. No amendment may be made except in accordance with and in the manner stipulated (if any) by Law and the Listing Rules.

Plan Termination

- 8.3. The Company may at any time by written instrument or by resolution of the Board, terminate the Plan in whole or in part in respect of some or all of the Executives, without any liability whatsoever on the Company for any such complete or partial termination, provided that no action may be taken to reduce the rights of an Executive in respect of either LTIP Shares or Shares held by the Trustee on behalf of the Executive where those Shares were held by the Trustee on behalf of the Executive prior to the date of the termination of the Plan.

9. Powers of the Board

- 9.1. The Plan shall be managed by the Board which shall have power to:
- (a) determine appropriate procedures for the administration of the Plan consistent with these Rules, including the form of Application Forms and other forms and notices to be issued under the Plan;
 - (b) resolve conclusively all questions of fact or interpretation arising in connection with the Plan and these Rules and any dispute of any kind that arises under the Plan;

- (c) appoint and remove the Plan Administrator and determine the terms and conditions of the Plan Administrator's appointment;
- (d) establish or cause to be established a Trust to acquire and hold Shares under the Plan, to appoint and remove the Trustee and determine the terms and conditions of the Trustee's appointment.
- (e) exercise discretions expressly conferred on it by these Rules or which may otherwise be required in relation to the Plan; and
- (f) 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.

9.2. The Board has absolute and unfettered discretion:

- (a) To act or refrain from acting under these Rules or concerning the Plan or any Shares allocated under the Plan; and
- (b) In exercising any power or discretion concerning the Plan or any Shares allocated under the Plan.

9.3. Notwithstanding Rule 9.2, any power or discretion under these Rules may be exercised in the interests or for the benefit of the Company, and the Board is not, in the exercise of such a power or discretion, under any fiduciary or other obligation to any other person.

9.4. The Plan shall take effect on and from such date as the Board may resolve.

10. Powers of the Plan Administrator

10.1. The Plan Administrator shall administer the Plan in accordance with these Rules and any procedures determined by the Board and agreed to as between the Board and the Plan Administrator.

11. Contracts of Employment and Other Employment Rights

- 11.1. It is a condition of these Rules that the Plan may be suspended or terminated at any time at the discretion of the Company and that no compensation under any employment contract will arise as a result.
- 11.2. The value of the Shares shall not increase a Participant's income for the purpose of calculating any other employee benefits.
- 11.3. Participation in the Plan shall not confer on any Participant any right to current or future employment.

12. Notices

- 12.1. Any notice or direction given under these Rules is validly given if it is handed to the person concerned or sent by ordinary prepaid post to the person's last known address or given in any manner which the Board from time to time determines.

13. Plan Costs

- 13.1. With the exception of brokerage fees when Shares are sold, taxes, stamp duty, withholding tax and any other governmental imposts, a Participant will not be liable for any costs associated with the implementation and administration of the Plan unless the Board at its discretion determines otherwise. If the Board so determines otherwise, the Board must inform the Participant prior to making any such deduction.
- 13.2. The Company will pay or reimburse all expenses incurred by the Trustee in connection with the Plan.

14. Operation of the Plan

- 14.1. The Plan shall be operated in accordance with these Rules which bind the Company, the Trustee and each Participant.

15. General

- 15.1. Notwithstanding any Rule, Shares may not be issued, purchased, allocated, transferred or dealt with under the Plan if to do so would contravene the Corporations Act, the Listing Rules, or any other applicable Laws.
- 15.2. Where Shares may not be issued, purchased, allocated, transferred or dealt with as outlined in Rule 15.1, the Company will pay the cash equivalent (calculated as the current market value of the Shares or on such other basis as determined by the Board) of the Shares that the Participant has become entitled to have allocated to him or her under Rule 3.7.

16. Governing Law

- 16.1. The Laws of Tasmania govern these Rules.