Insert name Insert date

Insert address

Dear [insert name]

###  Offer under Employee Option Plan

You are invited to participate in the employee option plan of ***[insert company name and ACN]*** (Company) on the terms set out in this offer letter and the Employee Option Plan.

Capitalised terms in this letter have the meaning given to them in the Employee Option Plan.

|  |  |
| --- | --- |
| **Employee Option Plan** | the Company’s employee option plan (as attached to this letter as Attachment 2), as amended from time to time in accordance with its terms |
| **Number of Options** | ***[insert number of Options]*** |
| **Exercise Price** | ***[insert exercise price]*** per Option |
| **[Vesting dates and vesting conditions]** | **[*insert details of vesting dates and conditions (if applicable). The Employee Option Plan includes a default vesting regime (25% of Options to vest 12 months after issue and the remaining 75% of Options vest on a quarterly basis over the next 3 years) which will apply if no vesting dates or conditions are included in this offer letter*]** |
| **[Restrictions on disposal** | **[*insert details of any additional restrictions on disposal*]** |
| **Other terms** | the rights and obligations which apply to Options, including in relation to vesting, disposal and forfeiture, are specified in the Employee Option Plan. The Employee Option Plan governs the Options that are issued to you |

Note: The following statement about tax consequences is only applicable where the grant of the Options meets the criteria to qualify for the ‘start-up tax concessions’ as set out in s.83A-33 of the *Income Tax Assessment Act 1997*.

The Company considers that this offer of Options will qualify to access the ‘start-up’ tax concessions in the tax legislation. On that basis:

• you will not be taxed on grant, vesting or exercise of the Options;

• you will only be taxed on transfer of the shares or Options;

• for capital gains tax (**CGT**) purposes, the shares you receive on exercise of the Options will be deemed to have been acquired on the day the Options are granted; and

• any gain or loss you make on disposal of the shares or Options will be assessed under the CGT rules. Provided you were granted the Options at least 12 months prior to disposing of the shares or Options, you should be entitled to apply the CGT discount to reduce the gain, after applying any current or prior year capital losses.

You are encouraged to obtain your own independent professional legal and financial product advice in relation to your participation in the Employee Option Plan, prior to accepting this offer.

You are not required to pay any consideration in relation to your acceptance of this Offer or the Company issuing the Options to you.

You may accept this offer by returning to the Company by [5:00 pm AEST] on ***[insert date]*** a signed copy of the Acceptance of Offer attached to this letter as Attachment 1.

Yours sincerely

[insert author name]

[insert author title]

## Attachment 1

### Acceptance of Offer

Note: If the Offer will be accepted by an entity other than the Eligible Person to whom the Company makes the Offer (for example, a nominee company)(the **‘Optionholder’**), this acceptance of Offer and the power of attorney set out below will need to be modified so that the acceptance of Offer and grant of power of attorney are signed by both the Eligible Person and the Optionholder (with appropriate drafting amendments).

To: The Board, ***[insert company name and ACN]*** (the **‘Company’**)

I, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(name) of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(address),

accept the offer dated ***[insert date]*** to participate in the Company’s Employee Option Plan.

I acknowledge that the Company has advised me to seek independent legal and financial advice in relation to the Employee Option Plan and that it is advisable that I obtain my own separate independent legal and financial advice in relation to the Employee Option Plan.

I acknowledge that I have read and agree to be bound by the terms of the Employee Option Plan.

I irrevocably appoint each director from time to time of the Company severally as my attorney (**Attorney**) only to the extent necessary to satisfy my obligations under and to give effect to the Employee Option Plan. Each Attorney has the power to:

(a) execute under hand or under seal and deliver (conditionally or unconditionally) any document in a form and of substance as the Attorney thinks fit;

(b) complete any blanks in any document;

(c) amend or vary any document as the Attorney thinks fit (including but not limited to, amending or varying the parties), and execute under hand or seal and deliver (conditionally or unconditionally) any document which effects or evidences the amendment or variation;

(d) do anything which in the Attorney’s opinion is necessary, expedient or incidental to or in any way relates to:

(1) any document referred to in (a) and (c) above; or

(2) any transaction contemplated by any document referred to in (a) and (c) above;

(e) do anything which ought to be done by myself under any document to which I am a party (including, without limitation in relation to clauses 3 (Treatment of Options for Leavers), 6 (Procedure on Exit Event), 7 (Listings) and 8 (Reorganisation Event) of the Employee Option Plan); and

(f) do any other thing (whether or not of the same kind as the above) which in the Attorney’s opinion is necessary, expedient or desirable to give effect to the provisions of this deed.

I acknowledge that each Attorney may exercise the powers of an Attorney under this deed even if the Attorney benefits from the exercise of that power.

I undertake to ratify and confirm any act of each Attorney in exercise of the powers of attorney under this deed.

This deed is governed by and shall be construed in accordance with the laws of the state where the Company is incorporated.

Note: The three execution clauses below represent the most common methods of execution (by an individual and company respectively). These may require amendment or replacement to effect proper execution of this deed.

#### Executed as a deed

|  |  |
| --- | --- |
|  | Signed sealed and delivered by *[insert name]* |
| sign here ► |  |  |
|  |  |  |
| print name |  |  |
|  | in the presence of |  |
| sign here ► |  |  |
|  | Witness |  |
| print name |  |  |
|  |  |  |
|  |

|  |  |
| --- | --- |
|  | Signed sealed and delivered by *[insert name of employee company]*by  |
| sign here ► |  |  |
|  | Company Secretary/Director |  |
| print name |  |  |
| sign here ► |  |  |
|  | Director |  |
| print name |  |  |
|  |

|  |  |
| --- | --- |
|  | Signed sealed and delivered by **[*insert name of employee company*]**by |
| *sign here* ► |  |  |
|  | Sole Director and sole Company Secretary |  |
| *print name* |  |  |
|  |