

OPTION CERTIFICATE
DATE ISSUED: *[insert date]*

STRAKER TRANSLATIONS LIMITED

Registered in New Zealand under the Companies Act 1993

**THIS IS TO
CERTIFY
THAT**

[insert name]

**IS THE
REGISTERED
HOLDER OF**

[insert number of options]

OPTIONS

under the **Straker Translations Limited 2020 Employee Share Option Scheme (Options)**

Additional terms relating to the grant of these Options are as follows:

<i>Number of options:</i>	<i>Date of allocation:</i>	<i>Exercise price:</i>	<i>Exercisable at any time from completion of the following time period/performance hurdles:</i>	<i>Until final exercise date of:</i>

Minimum Exercise Quantity: *[insert number of options]*

Straker Translations Limited by:

Director/Authorised Signatory

These Options are issued subject to the terms and conditions of the Straker Translations Limited 2020 Employee Share Option Scheme Rules attached to this Option Certificate.

Straker Translations Limited 2020 Employee Share Option Scheme Rules

These are the rules of the Straker Translations Limited 2020 Employee Share Option Scheme (the **Scheme**), being the Scheme under which the Options to purchase shares in Straker Translations Limited (the **Company**) will be granted to certain persons (including employees, contractors, directors and advisers) relevant to the Company or a related company. These rules set out the terms of the Scheme in an easy-to-understand plain English format. These rules, together with your Option Certificate and your letter of invitation to participate, create a legally binding option contract between the Company and you.

1. What is the purpose of the Scheme?

The Scheme has been established to enable key contributors to the potential success of the Company and/or a related company, to share in that success by granting them an option to purchase ordinary shares (**Shares**) in the Company at an agreed price.

The Scheme provides these contributors with an opportunity to benefit financially if the Company is successful and its Shares become worth more than the agreed purchase price.

2. How many Options will be granted?

Options will be granted at the discretion of the Board of Directors of the Company, subject to any legal requirements.

3. How are Options granted?

Options are granted by the Company issuing an Option Certificate to the recipient. The Option Certificate will set out the date of grant of the Options, the number of Options granted (one Option gives the right to purchase one Share), the exercise price at which Shares may be purchased (**Exercise Price**) and the timing of the entitlement to exercise the Options (i.e. based on a time period and/or performance hurdles).

4. Do I have to pay for the Options?

No. But if you decide to exercise your right to purchase Shares (i.e. exercise your Option) you must pay the agreed Exercise Price for those Shares as set out in the Option Certificate, unless you elect to exercise any of your Options using the *Cashless Exercise Facility* (see clause 15 below), in which case you must agree to set-off the agreed Exercise Price against the number of Shares which you are entitled to receive upon exercise of the Option.

5. What is the agreed exercise purchase price for the Shares?

This is set out on your Option Certificate and is determined by the Board of Directors of the Company. Under the requirements of the ASX Listing Rules, the Exercise Price for the Shares must be at least AUD\$0.20.

6. Do I have to exercise my Options and purchase Shares?

No. It is entirely up to you whether you do so. You will only be required to pay the purchase price if you decide to exercise your Options, unless you elect to exercise any of your Options using the *Cashless Exercise Facility* (see clause 15 below), in which case you will

agree to set-off the agreed Exercise Price against the number of Shares which you are entitled to receive upon exercise of the Option.

7. When does my right to purchase Shares become exercisable?

Subject always to Questions 8 and 9, Options become exercisable at the times set out in your Option Certificate, provided that where a change of control (as defined below) occurs, all your Options become exercisable as of immediately prior to the change of control. Any Options that have not been exercised prior to the change of control will terminate without consideration.

A change of control occurs where:

- (a) a person and that person's associates (as defined in the New Zealand Takeovers Code) hold or control more than 50% of the total voting rights (as defined in the Takeovers Code) in the Company;
- (b) all (or substantially all) of the assets of the Company have been sold and completion has occurred under that transaction; or
- (c) a merger or amalgamation is completed in which the Company is not the surviving entity.

8. Is there a final cut-off date for the exercise of Options?

Yes. In no circumstances may Options be exercised after the final exercise date set out in your Option Certificate. All Options that have not been exercised by that date will automatically cancel.

9. What happens if I cease to work for the Company?

If you are an employee, contractor, director or adviser and you cease to be employed or engaged (as applicable) by the Company or a related company (other than by reason of death or total and permanent disability) then any Options that are then currently exercisable by you may be exercised on the earlier of the expiry of (a) a period of 60 days from such cessation; or (b) the exercise period, unless another period is determined by the Board of Directors of the Company in its absolute discretion.

If you leave due to death or in circumstances considered by the Board of Directors of the Company in its absolute discretion to constitute total and permanent disability then the Board of Directors of the Company in its absolute discretion may allow your Options to be exercised or net settled (i.e. cancelled with shares issued representing any gain) within a certain period (of up to three months from the date of death or determination of total and permanent disability).

If you cease to be employed or engaged (as applicable) by the Company or a related company, any Options that are not then currently exercisable will be cancelled and of no further effect.

10. How do I exercise my Options?

By completing the notice of exercise (available from the Company) and paying the agreed Exercise Price, unless you elect to exercise any of your Options using the *Cashless Exercise Facility* (see clause 15 below), in which case the process in clause 15 will apply.

11. Can I exercise some of my Options but not all of them?

Yes, but the minimum number of Options that may be exercised on any one occasion is set out in your Option Certificate.

12. What happens when I exercise Options and are there any tax consequences?

You will receive one ordinary Share in the Company for every Option exercised, with the allotment of such Shares to occur within a reasonable time of the Company receiving a validly completed notice of exercise and payment of the agreed Exercise Price, unless you elect to exercise any of your Options using the *Cashless Exercise Facility* (see clause 15 below), in which case the number of Shares you will receive will be determined in accordance with the formula in clause 15. You will hold these Shares on the terms set out in the Company's constitution.

Generally, employees are required to pay tax on the benefit they receive on the exercise of Options. In the case of a traditional exercise where you pay the agreed Exercise Price, the taxable benefit would be the difference between the Exercise Price and the market value of the Shares acquired on exercise. Where you elect to exercise any Options using the *Cashless Exercise Facility* (see clause 15 below) however, the taxable benefit would simply be the market value of the Shares you receive (i.e. the amount of Shares determined in accordance with the formula in clause 15).

Tax on this income will not be paid by the Company and you will need to meet the tax liability yourself, unless the Company elects to pay PAYE in respect of that income. Where the Company elects to pay PAYE in respect of the income you receive as a result of exercising your Options, you will not have any obligation to pay tax in respect of that income.

Regardless of whether the Company elects to pay PAYE in respect of the income you derive as a result of exercising your Options, the Company is required to report that income to the IRD as part of your employment income. The IRD will then include this amount in a pre-populated account prepared for you following the end of the income year.

In addition, once you receive Shares, you will be subject to the normal Shareholder risks. Share values can go up and down. You should get independent advice from a professional before exercising any Options.

13. Can I transfer my Options?

No.

14. What happens if the Company reconstructs its Share capital?

It is possible that the Company may reconstruct its share capital in a way that affects your Options. This could occur, for example, if the Company implements a share split, share consolidation, share re-classification, bonus issue, rights issue, share buy-back or other type of reconstruction.

If this occurs, the Board of Directors of the Company will adjust the number of Options you hold and/or the Exercise Price payable for Shares in such manner as it considers to be equitable, subject to any legal requirements, and in accordance with the requirements of the ASX Listing Rules.

Note that you will not be able to participate in new share issues without exercising the applicable Options (for the purposes of the ASX Listing Rules, as applicable).

15. Cashless Exercise Facility

- (a) You may, subject to paragraph (c) below, request to pay the Exercise Price for an Option by setting off the Exercise Price against the number of Shares which you are entitled to receive upon exercise (**Cashless Exercise Facility**). By using the Cashless Exercise Facility, you will receive Shares to the value of the surplus after the Exercise Price has been set off. Any such request must be expressly made by you in the notice of exercise you give to the Company pursuant to clause 10 above. The Board of Directors may approve or refuse the request in their sole and absolute discretion.
- (b) If you elect to use the Cashless Exercise Facility, you will only be issued that number of Shares (rounded down to the nearest whole number) as are equal in value to the difference between the total Exercise Price that would otherwise be payable for the Options on the Option being exercised and the then Market Value of Shares at the time of exercise calculated in accordance with the following formula:

$$A = B \times \frac{(C - D)}{C}$$

Where:

A = the number of Shares to be issued to you under the Cashless Exercise Facility

B = the number of Shares which would be issued to you if the Exercise Price is paid per Option under the traditional exercise mechanism

C = the Market Value of one Share (determined in accordance with the definition of 'Market Value' in (d) below)

D = the per Option Exercise Price of the Option being exercised

- (c) If the difference between the total Exercise Price otherwise payable for the Options on the Options being exercised and the then Market value of Shares at the time of exercise (calculated in accordance with paragraph (b)) is zero or negative, then you will not be entitled to use the Cashless Exercise Facility.
- (d) For the purpose of the Cashless Exercise Facility, "**Market Value**" means, in respect of an Option being exercised, the volume weighted average price per Share traded on the Australian Securities Exchange over the 20 Business Days immediately prior to the notice of exercise for the relevant Option being given by you to the Company in accordance with clause 10 above, unless otherwise determined by the Board of Directors in their sole discretion.

16. Do Options receive dividends or carry votes?

No. Options do not carry voting rights and do not participate in dividends, issues of equity capital, capital having an element of equity, securities convertible into equity capital or similar instruments.

17. Can the rules of the Scheme be altered?

Yes. The Company retains the discretion to amend the rules of the Scheme at any time without your written consent where such amendments are required to be made for compliance with the ASX Listing Rules or any applicable law, or where such amendments are minor or technical in nature.

Other than as described above, the Company may only amend the rules of the Scheme where such amendment is agreed to in writing by you and the Company and does not detrimentally affect your rights in relation to the Options or the Shares.

18. Rights

You waive all rights to compensation or damages for termination of employment for any reason whatsoever insofar as those rights arise, or may arise, from ceasing to be entitled to exercise any Option.

19. Governing law

New Zealand law shall apply to the Options granted under the Scheme and the parties submit to the jurisdiction of the New Zealand courts.