

MMJ PHYTOTECH LIMITED
ACN 601 236 417

INCENTIVE OPTION SCHEME

CONTENTS

1.	DEFINITIONS AND INTERPRETATION	3
2.	PURPOSE.....	6
3.	COMMENCEMENT.....	6
4.	OFFERS OF OPTIONS	7
5.	LIMIT ON OFFERS	9
6.	WHEN OPTIONS MAY BE EXERCISED.....	9
7.	HOW TO EXERCISE OPTIONS.....	11
8.	RESTRICTION ON DISPOSAL OF SHARES	12
9.	NEW ISSUES OF SHARES AND REORGANISATIONS	13
10.	OVERRIDING RESTRICTIONS ON ISSUE AND EXERCISE.....	14
11.	AMENDMENT OF RULES	14
12.	ADMINISTRATION OF SCHEME.....	14
13.	RIGHTS OF ELIGIBLE PARTICIPANTS.....	14
14.	ATTORNEY.....	14
15.	ASIC RELIEF.....	15
16.	NOTICES	15
17.	GOVERNING LAW	15
18.	SCHEDULE 1: NOTICE OF EXERCISE OF OPTIONS	16
19.	SCHEDULE 2: OFFER DOCUMENT	17
20.	APPENDIX A: ISRAELI APPENDIX.....	20
21.	APPENDIX B: OFFER DOCUMENT (ISRAELI PARTICIPANTS).....	28

MMJ PHYTOTECH LIMITED INCENTIVE OPTION SCHEME

The Directors are empowered to operate the MMJ Phytotech Limited Incentive Option Scheme (**Scheme**) on the following terms and in accordance with the ASX Listing Rules (where applicable).

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

For the purposes of the Scheme, the following words have the following meanings.

Associated Body Corporate means:

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

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

Board means the board of Directors of the Company.

Business Day means those days other than a Saturday, Sunday or public holiday in Western Australia and any other day which the ASX shall declare and publish is not a business day.

Class Order means ASIC Class Order 14/1000 (or any amendment to or replacement of that Class Order).

Company means MMJ Phytotech Limited (ACN 601 236 417).

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

Director means a director of the Company.

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 clauses (a), (b) or (c) above,

who is declared by the Board to be eligible to receive grants of Options under the Scheme.

Exercise Condition means, in respect of an Option, any condition set out in the Offer which must be satisfied (unless waived by the Board in accordance with this Scheme) before that Option can be exercised or any other restriction on exercise of that Option specified in the Offer or in these Rules.

Expiry Date means, in respect of an Option, the date that the Option will lapse if not otherwise exercised as determined by the Board in its discretion with respect to that Option at the time of the grant of that Option.

Group means the Company or an Associated Body Corporate.

Group Company means the Company, its Subsidiaries and any other related body corporate of the Company.

Listing Rules means the official listing rules of ASX as amended from time to time.

Marketable Parcel has the meaning given to that term in the Listing Rules.

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

- (a) an immediately 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 participant; or
- (c) a corporate trustee of a self-managed superannuation fund (within the meaning of the Superannuation Industry (Supervision) Act 1993) where the Eligible Participant is a director of the trustee.

Offer means an offer made to an Eligible Participant to subscribe for one or more Options under the Scheme as set out in an Offer Document.

Offer Document means an offer document in substantially the same form as set out in Schedule 2, or such other form as required by the Board from time to time consistent with the Corporations Act and the Class Order.

Option means an option granted pursuant to these Rules to subscribe for one Share upon and subject to the terms of these Rules and the terms of the Offer.

Option Exercise Price means the exercise price of an Option, as determined in accordance with Rule 4.8.

Participant means an Eligible Participant to whom Options have been granted under the Scheme, or if Rule 4.4 applies, a Nominee of the Eligible Participant to whom Options have been granted under the Scheme.

Redundancy means termination of the employment of a Relevant Person due to economic, technological, structural or other organisational change where through no act or default of the Relevant Person:

- (a) the Group no longer requires the duties and responsibilities carried out by the Relevant Person to be carried out by anyone; or

- (b) the Group no longer requires the position held by the Relevant Person to be held by anyone.

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.

Restriction Period means the period during which a Share issued on the exercise of an Option cannot be transferred or otherwise dealt with in accordance with Rule 8.1.

Restricted Shares means Shares issued on the exercise of an Option granted under the Scheme that the Board has determined are subject to a Restriction Period.

Retirement means where a Participant intends to permanently cease all gainful employment in circumstances where the Participant provides, in good faith, a written statutory declaration to the Board to that effect.

Rules means the rules of the Scheme set out in this document.

Scheme means the scheme established in accordance with these Rules.

Share means a fully paid ordinary share in the Company.

Shareholder means a holder of Shares.

Takeover Bid means a takeover bid (as defined in the Corporations Act).

Total and Permanent Disability means that the Relevant Person has, in the opinion of the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the Relevant Person unlikely ever to engage in any occupation with the Company or its Associated Bodies Corporate for which he or she is reasonably qualified by education, training or experience.

Trigger Event means:

- (a) a court approves under Section 411(4)(b) of the Corporations Act a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
- (b) a Takeover Bid for the Company's issued Shares is declared unconditional and the bidder has acquired a relevant interest in at least 50.1% of the Company's issued Shares; or
- (c) the date upon which a person or a group of associated persons becomes entitled, subsequent to the date of grant of the Option, to sufficient Shares to give it or them the ability, in general meeting, to replace all or a majority of the Board in circumstances where such ability was not already held by a person associated with such person or group of associated persons.

1.2 Interpretation

In this Scheme unless the context otherwise requires:

- (a) headings are for convenience only and do not affect its interpretation;
- (b) an obligation or liability assumed by, or a right conferred on, 2 or more Parties binds or benefits all of them jointly and each of them severally;
- (c) the expression **person** includes an individual, the estate of an individual, a corporation, an authority, an association or joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (d) a reference to any party includes that party's executors, administrators, successors and permitted assigns, including any person taking by way of novation;
- (e) a reference to any document (including this Scheme) is to that document as varied, novated, ratified or replaced from time to time;
- (f) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;
- (g) words importing the singular include the plural (and vice versa) and words indicating a gender include every other gender;
- (h) reference to parties, clauses, schedules, exhibits or annexures are references to parties, clauses, schedules, exhibits and annexures to or of this Scheme and a reference to this Scheme includes any schedule, exhibit or annexure to this Scheme;
- (i) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning; and
- (j) a reference to **\$** or **dollar** is to Australian currency.

2. PURPOSE

The purpose of the Scheme is to:

- (a) encourage participation by Eligible Participants in the Company through Share ownership; and
- (b) attract, motivate and retain Eligible Participants.

3. COMMENCEMENT

This Scheme will commence on the date determined by the Board.

4. OFFERS OF OPTIONS

4.1 Determination by the Board

The Board, acting in its absolute discretion, may offer Options to any Eligible Participant from time to time as determined by the Board and in exercising that discretion, may have regard to some or all of the following:

- (a) the Eligible Participant's length of service with the Group;
- (b) the contribution made by the Eligible Participant to the Group;
- (c) the potential contribution of the Eligible Participant to the Group; or
- (d) any other matter the Board considers relevant.

4.2 Offer Document

An Offer must be made using an Offer Document.

4.3 Personal Offer

Subject to Rule 4.4, an Offer is personal and is not assignable.

4.4 Renunciation

- (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.
- (c) 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 Rules.

4.5 Acceptance Time Period

An Eligible Participant (or permitted Nominee) may only accept an Offer within the time period specified in the Offer Document.

4.6 Number of Options

- (a) Subject to Rule 5, the number of Options (if any) to be offered to an Eligible Participant from time to time will be determined by the Board in its discretion and in accordance with the Rules and applicable law and the Listing Rules.
- (b) Each Option will entitle the holder to subscribe for and be allotted one Share.

4.7 Consideration for grant of Options

Unless the Options are quoted on the ASX, Options issued under the Scheme will be issued for no more than nominal cash consideration.

4.8 Option Exercise Price

- (a) Subject to Rule 4.8(b), in respect of any Offer, the Board may determine the Option Exercise Price (if any) for an Option offered under that Offer in its absolute discretion.
- (b) To the extent the Listing Rules specify or require a minimum price, the Option Exercise Price in respect of an Option offered under an Offer must not be less than any minimum price specified in the Listing Rules.

4.9 Option Exercise Conditions

An Option may be made subject to Exercise Conditions as determined by the Board in its discretion and as specified in the Offer for the Option.

4.10 Share Restriction Period

A Share issued on exercise of an Option may be made subject to a Restriction Period as determined by the Board in accordance with Rule 8 and as specified in the Offer for the Option.

4.11 Transfer of Options

Options will not be transferable except to the extent provided for by this Scheme or unless the Offer provides otherwise.

4.12 Quotation of Options

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

4.13 Adjustment to Terms

- (a) Subject to any requirements of the Listing Rules and the Corporations Act, the Board will have the power to make adjustments to or vary the terms of an Option.
- (b) No adjustment or variation of the terms of an Option will be made without the consent of the Participant who holds the relevant Option if such adjustment or variation would have a materially prejudicial effect upon the Participant (in respect of his or her outstanding Options), other than an adjustment or variation introduced primarily:
 - (i) for the purpose of complying with or conforming to present or future State, Territory or Commonwealth legislation governing or regulating the maintenance or operation of the Scheme or like schemes;
 - (ii) to correct any manifest error or mistake;
 - (iii) to enable a member of the Group to comply with the Corporations Act, the Listing Rules, applicable foreign law, or a

requirement, policy or practice of the ASIC or other foreign or Australian regulatory body; or

- (iv) to take into consideration possible adverse taxation implications in respect of the Scheme including changes to applicable taxation legislation or the interpretation of that legislation by a court of competent jurisdiction or any rulings from taxation authorities administering such legislation.

5. LIMIT ON OFFERS

The Company must have reasonable grounds to believe, when making an Offer, that the number of Shares to be received on exercise of Options offered under an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under an employee incentive scheme 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.

6. WHEN OPTIONS MAY BE EXERCISED

6.1 Exercise

- (a) Subject to this Rule 6, a Participant will be entitled to exercise an Option granted as a result of an Offer:
 - (i) where the Option is not subject to any Exercise Conditions, at any time after grant; and
 - (ii) where the Option is subject to any Exercise Conditions, when all Exercise Conditions have been satisfied (or waived by the Board) and which are otherwise capable of exercise in accordance with the terms of the relevant Offer and the Rules.
- (b) An Option may not be exercised if it was issued in accordance with the Class Order and the Class Order prohibits the exercise of the Option.

6.2 One or Several Parcels

Subject to Rule 6.1, Options may be exercised in one or more parcels of any size, provided that the number of Shares issued upon exercise of the number of Options in any parcel is not less than a Marketable Parcel.

6.3 Lapsing of Options

Subject to this Scheme, in particular Rule 6.4, a Participant's unexercised Option will lapse immediately and all rights in respect of that Option will be lost if, in respect of the Option:

- (a) the Relevant Person ceases to be an Eligible Participant for any reason whatsoever (including without limitation resignation or termination for cause) and:
 - (i) any Exercise Conditions have not been met by the date the Relevant Person ceases to be an Eligible Participant (**Ceasing Date**); or

- (ii) where any Exercise Conditions have been met by the Ceasing Date or the Option is not subject to any Exercise Conditions, the Participant does not exercise the Option within a period of six (6) months after the Ceasing Date (or a further date as determined by the Board after the Ceasing Date);
 - (b) any Exercise Conditions are unable to be met, as determined by the Board, and are not waived by the Board; or
 - (c) the Expiry Date has passed,
- whichever is earlier.

6.4 Death, Total or Permanent Disability, Retirement or Redundancy

If, in respect of a Participant, the Relevant Person dies, suffers Total or Permanent Disability or ceases employment from the Group on the basis of Retirement or Redundancy prior to the Expiry Date of Options granted to that Participant **(Ceasing Event)**:

- (a) the Participant or the Participant's legal personal representative, where relevant, may exercise those Options which at that date:
 - (i) have become exercisable;
 - (ii) have not already been exercised; and
 - (iii) have not lapsed,
 in accordance with Rule 6.4(c);
- (b) at the absolute discretion of the Board, the Board may resolve that the Participant, or the Participant's legal personal representative, where relevant, may exercise those Options which at that date:
 - (i) have not become exercisable; ; and
 - (ii) have not lapsed,
 in accordance with Rule 6.4(c) and, if the Board exercises that discretion, those unexercisable Options will not lapse other than as provided in Rule 6.4(c);
- (c) the Participant or the Participant's legal personal representative (as the case may be) must exercise the Options referred to in Rule 6.4(a) and, where permitted, Rule 6.4(b), no later than the first to occur of:
 - (i) the Expiry Date of the Options in question; and
 - (ii) the date which is six (6) months after the Ceasing Event (or such other period as determined by the Board) provided that, in the case of Options referred to in Rule 6.4(b), all Exercise Conditions have been met at the time of exercise (unless the Board decides to waive any relevant Exercise Conditions, in its absolute discretion); and

- (d) Options which have not been exercised by the end of the period specified in Rule 6.4(c) lapse immediately at the end of that period and all rights in respect of those Options will be lost.

6.5 Trigger Event

Notwithstanding any other Rule, upon the occurrence of a Trigger Event, the Board may determine that Options granted under the Scheme (even if still subject to Exercise Conditions) may be exercised or transferred at any time from the date of such determination, and in any number, until the date determined by the Board acting bona fide so as to permit the holder to participate in any change of control arising from a Trigger Event, provided that the Board must advise in writing each holder of such determination.

7. HOW TO EXERCISE OPTIONS

7.1 Delivery to Company Secretary

Options granted to a Participant may only be exercised by delivery to the Company's secretary (at a time when the Options may be exercised) of:

- (a) the certificate for the Options or, if the certificate for the Options has been lost, mutilated or destroyed, a declaration to that effect, accompanied by an indemnity in favour of the Company against any loss, costs or expenses which might be incurred by the Company as a consequence of its relying on the declaration that the certificate has been lost, mutilated or destroyed;
- (b) a notice in the form of Schedule 1 addressed to the Company and signed by the Participant stating that the Participant exercises the Options and specifying the number of Options which are exercised; and
- (c) payment to the Company of an amount equal to the Option Exercise Price multiplied by the number of Options which are being exercised unless there is no exercise price payable in respect of the Options to be exercised.

7.2 Issue of Shares

If the items specified in Rule 7.1 are delivered in accordance with that Rule, the Company will, subject to the Listing Rules (if relevant):

- (a) within 10 Business Days of delivery of the documents referred to in Rule 7.1 issue to the Participant the Shares credited as being fully paid in respect of which the Options are exercised together with any additional Shares an entitlement to which has arisen under Rule 9 in consequence of the exercise of the Options; and
- (b) cancel the certificate delivered pursuant to Rule 7.1(a) and, if any Options which have not lapsed remain unexercised, deliver to the Participant a replacement certificate reflecting the number of those Options which remain unexercised.

7.3 Death of Participant

If a Participant has died, the Participant's legal personal representative will stand in the place of the Participant for the purposes of Rules 7.1 and 7.2 subject only

to prior production to the Company of such evidence as would be required to permit the legal personal representative to become registered as a shareholder in respect of the Shares held by the Participant.

7.4 Beneficial Owner of Shares

From and including the date of issue to a Participant of any Shares in accordance with these Rules, the Participant will:

- (a) be the beneficial owner of those Shares; and
- (b) subject to Rule 8, the Corporations Act, the Constitution and the Listing Rules, be entitled to deal with those Shares as beneficial owner.

7.5 Equal Rank

A Share acquired on exercise of an Option will rank equally in all respects with Shares already on issue on the date of exercise of the Option, except for entitlements which had a record date before the date of issue of that Share.

7.6 Official Quotation

Application will be made to ASX for official quotation of the Shares allotted pursuant to the exercise of Options if the Company's Shares are listed on ASX at that time in accordance with the Listing Rules.

8. RESTRICTION ON DISPOSAL OF SHARES

8.1 Restriction Period

Where the Board makes an offer of Options to an Eligible Participant, the Board may, in its discretion, determine that a restriction period will apply to some or all of the Shares issued to a Participant, following exercise of their Options (**Restricted Shares**), up to a maximum of seven (7) years from the date of grant of the Options (**Restriction Period**).

8.2 Waiver of Restriction Period

The Board may, in its sole discretion, having regard to the circumstances at the time, waive a Restriction Period determined pursuant to Rule 8.1.

8.3 No disposal of Restricted Shares

A Participant must not dispose of or otherwise deal with any Shares issued to them under the Scheme while they are Restricted Shares.

8.4 Enforcement of Restriction Period

- (a) The Company may implement any procedure it considers appropriate to restrict a Participant from dealing with any Restricted Shares for as long as those Shares are Restricted Shares.
- (b) The Participant agrees to:
 - (i) execute an ASX restriction agreement in relation to the Restricted Shares reflecting any Restriction Period applying to the Restricted Shares under the Scheme;

- (ii) the Company lodging the share certificates for Restricted Shares (where issuer sponsored) with a bank or recognised trustee to hold until the expiry of any Restriction Period applying to the Restricted Shares or until the Restricted Shares are otherwise released from restrictions (at which time the Company shall arrange for the share certificates to be provided to the Participant); and
- (iii) the application of a holding lock over Restricted Shares until any Restriction Period applying to the Restricted Shares under the Scheme has expired (at which time the Company shall arrange for the holding lock to be removed).

8.5 Lapse of Restriction Period

When a Share ceases to be a Restricted Share, all restrictions on disposing of or otherwise dealing or purporting to deal with that Share provided in or under these Rules will cease.

9. NEW ISSUES OF SHARES AND REORGANISATIONS

9.1 Participation generally

- (a) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (b) The Company will ensure that, for the purposes of determining entitlements to any such issue, the record date will be at least six (6) Business Days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

9.2 Rights Issues and Bonus Issues

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

9.3 Reorganisation

If at any time the capital of the Company is reorganised, the terms of the Options will be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

9.4 Notice of Adjustments

Whenever the number of Shares comprised in an Option or the Option Exercise Price is adjusted pursuant to these Rules, the Company will give notice of the adjustment to the Participant and ASX together with calculations on which the adjustment is based.

9.5 Cumulative Adjustments

Effect will be given to Rule 9.4 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.

10. OVERRIDING RESTRICTIONS ON ISSUE AND EXERCISE

Notwithstanding the Rules or the terms of any Option, no Option may be offered, granted or exercised and no Share may be issued under the Scheme if to do so:

- (a) would contravene the Corporations Act, the 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.

11. AMENDMENT OF RULES

Subject to Rule 4.13, the Listing Rules and the Corporations Act, the Board (without the necessity of obtaining the prior or subsequent consent of Shareholders of the Company in a general meeting) may from time to time amend (including the power to revoke, add to or vary) all or any provisions of the Rules in any respect whatsoever, by an instrument in writing.

12. ADMINISTRATION OF SCHEME

- (a) The Board may appoint, for the proper administration and management of the Scheme, such persons as it considers desirable and may delegate thereto such authorities as may be necessary or desirable for the administration and management of the Scheme.
- (b) Subject to the provisions of the Rules, the Board may make such regulations and establish such procedures for the administration and management of the Scheme as they consider appropriate.
- (c) The decision of the Board as to the interpretation, effect or application of the Rules will be final.

13. RIGHTS OF ELIGIBLE PARTICIPANTS

Neither participation in the Scheme by the Company or an Associated Body Corporate or any Eligible Participants or Option holders or anything contained in these Rules shall in any way prejudice or affect the right of the Company or an Associated Body Corporate to dismiss any Eligible Participant or Option holder or to vary the terms of employment of any Eligible Participant or Option holder. Nor shall participation or the rights or benefits of an Eligible Participant or Option holder under the Rules be relevant to or used as grounds for granting or increasing damages in any action brought by an Eligible Participant or Option holder against the Company or an Associated Body Corporate whether in respect of any alleged wrongful dismissal or otherwise.

14. ATTORNEY

Each Participant, in consideration of an Offer:

- (a) irrevocably appoints the Company and any person nominated from time to time by the Company (each an "attorney"), severally, as the Participant's attorney to complete and execute any documents including applications for Shares and Share transfers and to do all acts

or things on behalf of and in the name of the Participant which may be convenient or necessary for the purpose of giving effect to the provisions of these Rules;

- (b) covenants that the Participant will ratify and confirm any act or thing done pursuant to this power;
- (c) releases each member of the Group and the attorney from any liability whatsoever arising from the exercise of the powers conferred by this Rule; and
- (d) indemnifies and holds harmless each member of the Group and the attorney in respect thereof.

15. ASIC RELIEF

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

16. NOTICES

Any notice to Participants may be given in such manner as the Board determines.

17. GOVERNING LAW

This Scheme is governed by and shall be construed and take effect in accordance with the laws of Western Australia.

SCHEDULE 1 – NOTICE OF EXERCISE OF OPTIONS

To: The Directors
MMJ Phytotech Limited

I/ We _____ of _____
_____ being registered holder(s) of the options to acquire fully paid ordinary shares in the Company set out on the certificate annexed to this notice, hereby exercise _____ of the abovementioned options. I/We enclose my/our cheque for \$ _____ in payment of the option exercise price due in respect of those options calculated on the basis of \$ _____ per option.

I/ We authorise and direct the Company to register me/us as the holder(s) of the shares to be allotted to me/us and I/we agree to accept such shares subject to the provisions of the Constitution of the Company.

Dated the _____ day of _____ 20__.

Signature of Holder(s)

Note:

1. Each holder must sign.
2. An application by a company must be executed in accordance with section 127 of the *Corporations Act 2001* (Cth) and if signing for a company as a sole director/secretary – ensure “sole director” and “sole secretary” is written beside the signature.
3. Cheques should be made payable to MMJ Phytotech Limited.

SCHEDULE 2 – OFFER DOCUMENT

Dear [*]

INCENTIVE OPTION SCHEME

The board of directors of MMJ Phytotech Limited (**Company**) is pleased to make an offer to you of **[insert]** Options under its Incentive Option Scheme (**Scheme**).

The Company informs you of the following:

- (a) accompanying this letter at Annexure A is a [full copy/summary] of the terms of the Scheme;
- (b) this offer remains open for acceptance by you for 14 days from the date of this letter (**Offer Period**);
- (c) the Options under the Scheme will be granted to you for nil cash consideration;
- (d) the exercise price of each of the Options is \$[*] and the expiry date is [*]. The full terms and conditions attaching to the Options accompany this letter at Annexure B; and
- (e) the Options are subject to the following Exercise Conditions: **[SP Comment: delete if not applicable]**
 - (i) [insert]
 - (ii) [insert];
- (f) the Shares issued on exercise of the Options are subject to the following Restriction Periods: **[SP Comment: delete if not applicable]**
 - (i) [insert]
 - (ii) [insert];

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 Options offered under the Scheme, and Shares issued on exercise of the Options.

Any advice given by the Company in relation to the Options, or underlying Shares offered under the Scheme, does not take into account your objectives, financial situation and needs (including financial or taxation issues).

This letter 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 the Australian Securities and Investments Commission to give such advice.

Could you please confirm your acceptance of the offer set out in this letter by signing in the appropriate place below and returning it to the Company on facsimile number **[insert] by no later than [insert]**.

If you wish to renounce the offer in favour of your Nominee, both you and your Nominee should complete the acceptance below.

Yours faithfully

[insert name]
For and on behalf of
MMJ Phytotech Limited

Encl.

I agree to the terms and conditions set out above and accept the offer of Options as contained in the letter set out above.

Signature:_____

Name:_____

Date:_____

If the offer is being renounced in favour of a Nominee, the Nominee agrees to the terms and conditions set out above and accepts the offer of Options as contained in the letter set out above.

If the Nominee is a corporation:

EXECUTED BY)
(*))
ACN (*))
in accordance with the [Corporations)
Act/laws of its place of incorporation]:

{Sole} Director

Director/Secretary

Name

Name

Date:_____

If the Nominee is an individual:

SIGNED by)
)
in the presence of:)

(Signature)

Signature of Witness

Full Name of Witness
(BLOCK LETTERS)

Address:

Date:_____

[In the case of Israeli

APPENDIX A – ISRAELI APPENDIX

This Appendix A ("**Israeli Appendix**") to the MMJ Phytotech Limited Incentive Option Scheme (the "**Scheme**") is hereby established effective as of 24 March 2015.

1. **Definitions**

As used herein, the following terms shall have the meanings hereinafter set forth, unless the context clearly indicates to the contrary. Any capitalized term used herein which is not specifically defined in this Israeli Appendix shall have the meaning set forth in the Scheme.

- 1.1 "**Associated Body Corporate**" – for purposes of eligibility under the Israeli Appendix shall have the meaning of the term in the Scheme, provided however that any Associated Body Corporate entity shall be an "employing company" within the meaning of such term in Section 102 of the Ordinance.
- 1.2 "**Election**" – the election by the Company, with respect to offer of 102 Trustee Options, of either one of the following tax tracks – "Capital Gains Tax Track" or "Ordinary Income Tax Track", as provided in and in accordance with the Section 102.
- 1.3 "**Fair Market Value**" – solely for the purposes of 102 Trustee Options, if and to the extent Section 102 prescribes a specific mechanism for determining the fair market value of any Shares purchased under an Option ("**Exercised Stock**"), then notwithstanding anything to the contrary in the Scheme, the fair market value of 102 Trustee Options shall be as prescribed in Section 102, if applicable.
- 1.4 "**Exercised Shares**" – Shares received on exercise of Options offered under an Offer.
- 1.5 "**102 Non-Trustee Option**" – an Option offered not through a Trustee in accordance with and pursuant to Section 102.
- 1.6 "**3(i) Option**" – an Option offered pursuant to Section 3(i) of the Ordinance.
- 1.7 "**Ordinance**" – the Israeli Income Tax Ordinance [New Version], 1961, and the rules and regulations promulgated thereunder, as are in effect from time to time, and any similar successor rules and regulations.
- 1.8 "**Restricted Period**" – as defined in Section 4.3 hereinbelow.
- 1.9 "**Section 102**" – Section 102 of the Ordinance and the rules and regulations promulgated thereunder, as are in effect from time to time, and any similar successor rules and regulations.
- 1.10 "**Trustee**" – the trustee designated or replaced by the Company and/or applicable Associated Body Corporate for the purposes of the Scheme and approved by the Israeli Tax Authorities all in accordance with the provisions of Section 102.
- 1.11 "**102 Trustee Option**" – an Option offered through a Trustee in accordance with and pursuant to Section 102.

2. General

- 2.1 The purpose of this Israeli Appendix is to establish certain rules and limitations applicable to Options offered to Participants, the grant of Options to whom (or the exercise thereof by whom) are subject to taxation by the Israeli Income Tax ("**Israeli Participants**"), in order that such Options may comply with the requirements of Israeli law, including, if applicable, Section 102.
- 2.2 The Scheme and this Israeli Appendix are complementary to each other and shall be read and deemed as one. In the event of any contradiction, whether explicit or implied, between the provisions of this Israeli Appendix and the Scheme, the provisions of this Israeli Appendix shall prevail with respect to Options offered to Israeli Participants.
- 2.3 Options may be offered under this Israeli Appendix in one of the following tax tracks, at the Company's discretion and subject to applicable restrictions or limitations as provided in applicable law including without limitation any applicable restrictions and limitations in Section 102 regarding the eligibility of Israeli Participants to each of the following tax tracks, based on their capacity and relationship towards the Company:

(i) 102 Trustee Options - in such tax track as determined in accordance with the Election; or

(ii) 102 Non-Trustee Options; or

(iii) 3(i) Options.

For avoidance of doubt, the designation of the Options to any of the above tax tracks shall be subject to the terms and conditions set forth in Section 102.

3. Administration

Without derogating from the powers and authorities of the Board detailed in the Scheme, the Board shall have the sole and full discretion and authority, without the need to submit its determinations or actions to the shareholders of the Company for their approval or authorization, unless such approval is required to comply with applicable law, to administer this Israeli Appendix and to take all actions related hereto and to such administration, including without limitation the performance, from time to time and at any time, of any and all of the following:

(a) the determination of the specific tax track (as described in Section 2.3 above) in which the Options are to be issued.

(b) the Election;

(c) the appointment of the Trustee;

(d) the adoption of forms of Offer Documents to be applied with respect to Israeli Participants (the "**Israeli Offer Document**"), incorporating and reflecting, *inter alia*, relevant provisions regarding the offer of Options in accordance with this Israeli Appendix, and the amendment or modification from time to time of the terms of such Israeli Offer Documents.

4. **102 Trustee Options**

4.1 *Offer in the Name of Trustee:*

Notwithstanding anything to the contrary in the Scheme, 102 Trustee Options offered hereunder shall be granted to, and the Exercised Shares issued pursuant thereto and all rights attached thereto (including bonus shares), issued to, the Trustee, and all such options and shares shall be registered in the name of the Trustee, who shall hold them in trust until such time as they are released by the transfer or sale thereof by the Trustee. In case the requirements of Section 102 for 102 Trustee Options are not met, then the 102 Trustee Options may be regarded as 102 Non-Trustee Option, all in accordance with the provisions of Section 102. Notwithstanding anything to the contrary in the Scheme, the date of grant of a 102 Trustee Option shall be the date determined by the Board to be the effective date of the Offer of the 102 Trustee Options to an Israeli Participant, or, if the Board has not determined such effective date, the date of the resolution of the Board approving the Offer of such Options, which in the case of 102 Trustee Options shall not be before the lapse of 30 days (or such other period which may be determined by the Ordinance from time to time) from the date upon which the Scheme is first submitted to the relevant Israeli Tax Authorities.

4.2 *Exercise of 102 Trustee Options:*

Unless other procedures shall be determined from time to time by the Board and notified to the Israeli Participants, the mechanism of exercising 102 Trustee Options shall be in accordance with the provisions of Rule 7.1 the Scheme, except that any notice of exercise of 102 Trustee Options shall be made in such form and method in compliance with the provisions of Section 102 and shall also be delivered in copy to the authorized representative of the Associated Body Corporate with which the Israeli Participant is employed and/or engaged, if applicable, and to the Trustee.

4.3 *Restrictions on Transfer:*

(a) 102 Trustee Options and the Exercised Shares issued pursuant to the exercise thereof, and all rights attached thereto (including bonus shares), shall be held by the Trustee for such period of time as required by the provisions of Section 102 applicable to Options offered through a Trustee in the applicable tax track, as per the Election (the "**Restricted Period**"). It is clarified that notwithstanding Rule 4.4 to the Scheme, an Offer with respect to 102 Trustee Options may not be renounced by an Eligible Participant to a Nominee.

(b) Subject to the provisions of Section 102 and any rules or regulation or orders or procedures promulgated thereunder, the Israeli Participant shall provide the Company and the Trustee with a written undertaking and confirmation under which the Israeli Participant confirms that he/she is aware of the provisions of Section 102 and the Elected tax track and agrees to the provisions of the Trust Note executed between the Company and the Trustee, and undertakes not to release, by sale or transfer, the 102 Trustee Options, and the Exercised Shares issued pursuant to the exercise thereof, and all rights attached thereto (including bonus shares, if any) prior to the lapse of the Restricted Period. The Israeli Participant shall not be entitled to sell or release from trust the 102 Trustee Options, nor the Exercised Shares issued pursuant to the exercise thereof,

nor any right attached thereto (including bonus shares), nor to request the transfer or sale of any of the same to any third party, before the lapse of the Restricted Period. Notwithstanding the above, if any such sale or transfer occurs during the Restricted Period, the sanctions under Section 102 of the Ordinance and under any rules or regulation or orders or procedures promulgated thereunder shall apply to and shall be borne by such Israeli Participant.

- (c) Without derogating and subject to the above, and to all other applicable restrictions in the Scheme, this Israeli Appendix, the Offer Document and applicable law, the Trustee shall not release, by sale or transfer, the Exercised Shares issued pursuant to the exercise of the 102 Trustee Options, and all rights attached thereto (including bonus shares) to the Israeli Participant, or to any third party to whom the Israeli Participant wishes to sell the Exercised Shares (unless the contemplated transfer is by will or laws of descent) unless and until the Trustee has either (a) withheld payment of all taxes required to be paid upon the sale or transfer thereof, if any, or (b) received confirmation either that such payment, if any, was remitted to the tax authorities or of another arrangement regarding such payment, which is satisfactory to the Company and the Trustee. For the removal of doubt, it is clarified that the Trustee may release by sale or transfer to a third party only Exercised Shares (and not Options).

4.4 *Rights as Shareholder:*

Without derogating from the provisions of the Scheme, it is hereby further clarified that with respect to Exercised Shares issued pursuant to the exercise of 102 Trustee Options, as long as they are registered in the name of the Trustee, the Trustee shall be the registered owner of such shares. Notwithstanding, the Trustee shall not exercise the voting rights conferred by such Exercised Shares in any way whatsoever, and shall not issue a proxy to any person or entity to vote such shares (other than to the applicable Israeli Participant, subject to and in accordance with the provisions of Section 102). Notwithstanding, the Company shall be entitled at its sole discretion, and not required, to distribute dividends directly to the Israeli Participants, subject to tax withholding at source.

4.5 *Bonus Shares:* **[This section is subject to Phytotech's discretion]**

All bonus shares to be issued by the Company, if any, with regard to Exercised Shares issued pursuant to the exercise of 102 Trustee Options, while held by the Trustee, shall be registered in the name of the Trustee; and all provisions applying to such Exercised Shares shall apply to bonus shares issued by virtue thereof, if any, *mutatis mutandis*. Said bonus shares shall be subject to the Restricted Period of the Exercised Shares by virtue of which they were issued.

4.6 *Voting:*

Without derogating from the provisions of the Scheme, with respect to Exercised Shares of 102 Trustee Options, such Exercised Shares shall be voted in accordance with the provisions of Section 102.

5. **102 Non-Trustee Options**

- 5.1 102 Non-Trustee Options offered hereunder shall be offered to, and the Exercised Shares issued pursuant to the exercise thereof, issued to, the Israeli Participant.

- 5.2 Without derogating and subject to the above, and to all other applicable restrictions in the Scheme, this Israeli Appendix, the Offer Document and applicable law, the Exercised Shares issued pursuant to the exercise of the 102 Non-Trustee Options, and all rights attached thereto (including bonus shares) shall not be transferred unless and until the Company has either (a) withheld payment of all taxes required to be paid upon the sale or transfer thereof, if any, or (b) received confirmation either that such payment, if any, was remitted to the tax authorities or of another arrangement regarding such payment, which is satisfactory to the Company.
- 5.3 An Israeli Participant to whom 102 Non-Trustee Options are offered must provide, upon termination of his/her engagement with the Company, a surety or guarantee to the satisfaction of the Company, to secure payment of all taxes which may become due upon the future transfer of his/her Exercised Shares to be issued upon the exercise of his/her outstanding 102 Non-Trustee Options, all in accordance with the provisions of Section 102.

6. 3(i) Options

- 6.1 3(i) Options offered hereunder shall be offered to, and the Exercised Shares issued pursuant thereto issued to, the Israeli Participant.
- 6.2 Without derogating and subject to the above, and to all other applicable restrictions in the Scheme, this Israeli Appendix, the Offer Document and applicable law, the Exercised Shares issued pursuant to the exercise of the 3(i) Options, and all rights attached thereto (including, as applicable, bonus shares) shall not be transferred unless and until the Company has either (a) withheld payment of all taxes required to be paid upon the sale or transfer thereof, if any, or (b) received confirmation either that such payment, if any, was remitted to the tax authorities or of another arrangement regarding such payment, which is satisfactory to the Company.
- 6.3 The Company may require, as a condition to the offer of the 3(i) Options, that an Israeli Participant to whom 3(i) Options are to be offered, provide a surety or guarantee to the satisfaction of the Company, to secure payment of all taxes which may become due upon the future transfer of his/her Exercised Shares to be issued upon the exercise of his/her outstanding 3(i) Options.

7. Tax Consequences

Without derogating from and in addition to any provisions of the Scheme, any and all tax and/or other mandatory payment consequences arising from the offer or exercise of Options, the payment for or the transfer or sale of Exercised Shares, or from any other event or act in connection therewith (including without limitation, in the event that the Options do not qualify under the tax classification/tax track in which they were intended) whether of the Company, an Associated Body Corporate, the Trustee or the Israeli Participant, including without limitation any non-compliance of the Israeli Participant with the provisions hereof, shall be borne solely by the Israeli Participant. The Company, any applicable Associated Body Corporate, and the Trustee, may each withhold (including at source), deduct and/or set-off, from any payment made to the Israeli Participant, the amount of the taxes and/or other mandatory payments of which is required with respect to the Options and/or Exercised Shares. Furthermore, each Israeli Participant shall indemnify the Company, the applicable Associated Body Corporate and the Trustee, or any one thereof,

and to hold them harmless from any and all liability for any such tax and/or other mandatory payments or interest or penalty thereupon, including without limitation liabilities relating to the necessity to withhold, or to have withheld, any such tax and/or other mandatory payments from any payment made to the Israeli Participant.

Without derogating from the aforesaid, each Israeli Participant shall provide the Company and/or any applicable Associated Body Corporate with any executed documents, certificates and/or forms that may be required from time to time by the Company or such Associated Body Corporate in order to determine and/or establish the tax liability of such Israeli Participant.

Without derogating from the foregoing, it is hereby clarified that the Israeli Participant shall bear and be liable for all tax and other consequences in the event that his/her 102 Trustee Options and/or the Exercised Shares issued pursuant to the exercise thereof are not held for the entire Restricted Period, all as provided in Section 102.

The Company and/or when applicable the Trustee shall not be required to release any share certificate to an Israeli Participant until all required payments have been fully made.

8. Currency Exchange Rates

Except as otherwise determined by the Board, all monetary values with respect to Options offered pursuant to this Israeli Appendix, including without limitation the Fair Market Value, if applicable, and the Option Exercise Price of each Option, shall be stated in Australian Dollars. In the event that the Option Exercise Price is in fact to be paid in New Israeli Shekels, at the sole discretion of the Board, the conversion rate shall be the last known representative rate (published by the Bank of Israel) of the Australian Dollar to the New Israeli Shekels on the date of payment.

9. Subordination to the Ordinance

- 9.1 It is clarified that the offer of the 102 Trustee Options hereunder is subject to the approval by the Tax Authorities of the Scheme, this Israeli Appendix and the Trustee, in accordance with Section 102.
- 9.2 Any provisions of the Section 102 or Section 3(i) of the Ordinance and/or any of the rules or regulations promulgated thereunder, which is not expressly specified in the Scheme or in the applicable Offer Document, including without limitation any such provision which is necessary in order to receive and/or to keep any tax benefit, shall be deemed incorporated into this Israeli Appendix and binding upon the Company, the applicable Associated Body Corporate and the Israeli Participant.
- 9.3 With regards to 102 Trustee Option, the provisions of the Scheme and/or this Israeli Appendix and/or the Offer Document shall be subject to the provisions of Section 102 and the Tax Assessing Officer's permit, and the said provisions and permit shall be deemed an integral part of the Scheme and of this Israeli Appendix and of the Offer Document.
- 9.4 The Options, the Scheme, this Israeli Appendix and any applicable Offer Documents are subject to the applicable provisions of the Ordinance, which

shall be deemed an integral part of each, and which shall prevail over any term that is inconsistent therewith.

10. Governing Law & Jurisdiction

- 10.1 This Israeli Appendix shall be governed by and construed and enforced in accordance with the laws of the State of Israel applicable to contracts made and to be performed therein, without giving effect to the principles of conflict of laws. The competent courts of the city of Tel Aviv, Israel shall have sole jurisdiction in any matters pertaining to this Israeli Appendix.

11. Other Terms

- 11.1 All other term and conditions not specifically amended or changed by virtue of this Israeli Appendix shall remain valid and enforceable.

APPENDIX B – OFFER DOCUMENT (ISRAELI PARTICIPANTS)

[Name and address of Eligible Participant]

Dear [*]

INCENTIVE OPTION SCHEME

The board of directors of MMJ Phytotech Limited (**Company**) is pleased to make an offer to you of [insert] Options under its Incentive Option Scheme ("**Master Scheme**") and Appendix A ("**Israeli Appendix**") to Incentive Option Scheme in respect to Eligible Participants subject to Israeli taxation attached hereto as (Master Scheme and Israeli Appendix hereinafter together, the "**Scheme**"). A copy of the Scheme is attached at Annexure A for your reference.

The Company informs you of the following:

- (a) accompanying this letter is at Annexure B is a copy of the full terms and conditions attaching to the Options to be issued to you under the Scheme;
- (b) this offer remains open for acceptance by you for 14 days from the date of this letter (**Offer Period**);
- (c) the Options under the Scheme will be granted to you for nil cash consideration;
- (d) the exercise price of each of the Options is \$[*] and the expiry date is [*]; and
- (e) the Options are subject to the following Exercise Conditions: [**SP Comment: delete if not applicable**]
 - (i) [insert]
 - (ii) [insert];
- (f) the Shares issued on exercise of the Options are subject to the following Restriction Periods: [**SP Comment: delete if not applicable**]
 - (i) [insert]
 - (ii) [insert];
- (g) The Options shall be designated as:
 - ___ 102 Trustee Options - subject to the "[Capital Gain / Ordinary Income] Tax Track" of Section 102 - and shall be granted to the Trustee in favor of the Participant.
 - ___ 102 Non-Trustee Options
 - ___ 3(i) Options;and which shall be governed by and subject to the terms and conditions set forth in the Scheme, applicable to such tax track of Options.

Israeli Income Tax Considerations

You accept and agree that with respect to any 102 Trustee Option granted to you, subject to the provisions of Section 102 and any rules or regulation or orders or

procedures promulgated thereunder, you shall not sell or release from trust any Share received by you upon the exercise of a 102 Trustee Option and/or any share received subsequently following any realization of rights, including without limitation, bonus shares, until the lapse of the Restricted Period required under Section 102 of the Ordinance. Notwithstanding the above, you are aware that if any such sale or release occurs during the Restricted Period, the sanctions under Section 102 of the Ordinance and under any rules or regulation or orders or procedures promulgated thereunder shall apply to you and shall be borne by you.

With respect to 102 Trustee Options, you hereby acknowledge that you are familiar with the provisions of Section 102 and the regulations and rules promulgated thereunder, including without limitations the type of Option granted to you hereunder and the tax implications applicable to such grant. You accept the provisions of the trust agreement signed between the Company and the Trustee, attached as Schedule [] hereto ("**Trust Note**"), and agree to be bound by its terms.

Should any 102 Non-Trustee Option be granted to you, you hereby agree that should you cease to be employed by the Company or any Associated Body Corporate, you shall extend to the Company and/or any Associated Body Corporate a security or guarantee for the payment of tax due at the time of sale of Shares, all in accordance with the provisions of Section 102 and the rules, regulation or orders promulgated thereunder.

By signing this Offer Document you are aware and agree that any tax consequences arising from the grant or exercise of any Option, from the payment for Shares covered thereby or from any other event or act (of the Company and/or any Associated Body Corporate, the Trustee or yourself), hereunder, shall be borne solely by you. The Company and/or any Associated Body Corporate and/or the Trustee shall withhold taxes according to the requirements under the applicable laws, rules, and regulations, including withholding taxes at source. Furthermore, you hereby accept to indemnify the Company and/or any Associated Body Corporate and/or the Trustee and hold them harmless against and from any and all liability for any such tax or interest or penalty thereon, including without limitation, liabilities relating to the necessity to withhold, or to have withheld, any such tax from any payment made to you.

You will not be entitled to receive from the Company and/or the Trustee any Shares allocated or issued upon the exercise of your Options prior to the full payments of your tax liabilities arising from Options which were granted to you and/or Shares issued upon the exercise of Options. For the avoidance of doubt, neither the Company nor the Trustee shall be required to release any share certificate to you until all payments required to be made by you have been fully satisfied.

Acknowledgments

By signing this Offer Document you hereby acknowledge, accept and agree as to the following:

- (a) The Company may in the future issue additional Shares and grant additional Options to various entities and individuals, as the Company in its sole discretion shall determine;
- (b) The Company shall not be obligated to issue any Shares upon the exercise of an Option if such issuance, in the opinion of the Company, might constitute a violation by the Company of any provision of law.
- (c) The transfer of Options and the transfer of Shares to be issued to you upon exercise of the Options shall be subject to the limitations set forth in the Scheme and the Israeli Appendix.

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 Options offered under the Scheme, and Shares issued on exercise of the Options.

Any advice given by the Company in relation to the Options, or underlying Shares offered under the Scheme, does not take into account your objectives, financial situation and needs (including financial or taxation issues).

This letter 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 the Australian Securities and Investments Commission to give such advice.

Could you please confirm your acceptance of the offer set out in this letter by signing in the appropriate place below and returning it to the Company on facsimile number [insert] **by no later than** [insert].

If you wish to renounce the offer in favour of your Nominee, both you and your Nominee should complete the acceptance below. **[Shibolet Comment: please delete if 102 Trustee Options are granted hereunder]**

Yours faithfully

[insert name]

**For and on behalf of
MMJ Phytotech Limited**

Encl.

I agree to the terms and conditions set out above and accept the offer of Options as contained in the letter set out above, and I hereby acknowledge receipt of a copy of the Scheme and the Israeli Appendix. I have reviewed the Scheme, the Israeli Appendix and this Offer Document, have had an opportunity to obtain the advice of counsel prior to executing this Offer Document, and fully understand all provisions of Offer Document.

In case of 102 Trustee Options:

I hereby further acknowledge that I am aware that I am being granted an 102 Trustee Option, of the "Capital Gains Tax Track", and that I am familiar with the provisions of Section 102 and the regulations and rules promulgated thereunder, applicable to such Option in such tax track, including without limitations, the tax implications applicable to such grant, and agree to be bound by said provisions. I accept the provisions of the Trust Note signed between the Company and the Trustee, attached as **Schedule []** hereto, and agree to be bound by its terms, and I undertake not to release, by sale or

transfer, the 102 Trustee Options, the Shares issued pursuant to the exercise thereto, and all rights attached thereto (including bonus shares) prior to the lapse of the Restricted Period. **[Shibolef Comment: delete if not applicable]**

Signature:_____

Name:___

Date:___

[If the offer is being renounced in favour of a Nominee, the Nominee agrees to the terms and conditions set out above and accepts the offer of Options as contained in the letter set out above. [please delete reference to Nominee if the Offer pursuant to this Offer Letter is with respect to 102 Trustee Options]

If the Nominee is a corporation:

EXECUTED BY)
(*))
ACN (*))
in accordance with the [Corporations)
Act/laws of its place of incorporation]:

{Sole} Director

Director/Secretary

Name

Name

Date:___

If the Nominee is an individual:

SIGNED by)
)
in the presence of:)

(Signature)

Signature of Witness

Full Name of Witness
(BLOCK LETTERS)

Address:

Date:___