

Notes continued

for the 12 months to 31 December 2016

36. EMPLOYEE BENEFITS CONTINUED

a) Rights plans continued

¹Each 2014 LTI performance hurdle is tested over a three year performance period, which runs from 1 January. Performance hurdles are to be tested in February following the announcement of full year results for the previous financial year.

²The fair values were calculated at grant date using Monte-Carlo simulation pricing models. Volatility in share prices and expected dividend levels were estimated based on historic levels for a period consistent with the relevant performance period.

³The fair values were calculated at grant date using binomial tree pricing models. Volatility in share prices and expected dividend levels were estimated based on historic levels for a period consistent with the relevant performance period.

⁴This grant represents an amendment to an existing award.

⁵The volume weighted average share price during the reporting period to 31 December 2015 was \$22.96.

⁶The volume weighted average share price during the reporting period to 31 December 2016 was \$31.30.

One-Off Awards

One-off awards of Deferred Share Rights were granted under the Equity Incentive Plan ("EIP") for no cost to the employee and entitle the participant to receive one fully paid ordinary share in the Company per right. In 2012, 2013, and 2014 one-off awards were granted to employees:

- to replace existing cash-based service and retention arrangements where payment was due to vest over the longer-term; and
- as one-off awards to new and existing employees for recruitment and retention purposes.

All share rights issued expire on the earlier of their vesting date where performance conditions are not met or termination of the individual's employment except in certain special circumstances. The only performance condition is continued employment.

Amount recognised during the reporting period: Expense \$0.1 million (31 December 2015: Expense \$0.5 million).

	One-off Awards – 2012 Awards	One-off Awards – 2013 Awards	One-off Awards – 2014 Awards
Date of grant	1 Jan 2012 - 31 Dec 2012	3 May 2013	31 Oct 2014
Date of performance period end	5 Sep 2012 - 31 Dec 2017	31 Dec 2014 - 1 Jan 2017	31 Dec 2014 - 1 Jul 2017
Grant fair value ¹	\$16.20 - \$25.66	\$18.06	\$16.18 - \$21.50
Original grant	811,018	22,034	43,542
Unvested rights at 31 December 2014	307,980	16,497	37,650
- Granted ²	-	-	12,930
- Vested ³	(157,231)	-	(37,650)
- Forfeited/Lapsed	(68,098)	(8,249)	-
Unvested rights at 31 December 2015	82,651	8,248	12,930
- Granted	-	-	-
- Vested ⁴	(70,831)	(4,124)	(6,651)
- Forfeited/Lapsed	(9,317)	(4,124)	-
Unvested rights at 31 December 2016	2,503	-	6,279

¹The fair values were calculated using a five day volume weighted average share price up to and including the relevant reference date.

²This grant represents an additional award in accordance with contractual entitlements.

³The volume weighted average share price during the reporting period to 31 December 2015 was \$22.96.

⁴The volume weighted average share price during the reporting period to 31 December 2016 was \$31.30.