



## **PROSPECH SECURITIES INCENTIVE PLAN RULES**

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## CONTENTS

1	DEFINITIONS AND INTERPRETATION .....	1
	Definitions .....	1
	Interpretation.....	5
	Applicable Laws .....	5
	Rounding.....	5
	Headings .....	5
	Constitution.....	6
2	PURPOSE.....	6
3	COMMENCEMENT OF THE PLAN .....	6
4	MAXIMUM OPTION ALLOCATION.....	6
5	ELIGIBILITY AND GRANT.....	6
	Participation.....	6
	Selection.....	6
	Options that may be made under the Plan.....	6
	Invitation.....	6
	Application.....	7
	Multiple Invitations.....	7
6	TERMS OF OPTIONS .....	7
	Board determination.....	7
	Options to be recorded.....	8
	Listing .....	8
7	EMPLOYEE SHARE TRUST .....	8
8	OPTIONS.....	8
	Performance Hurdles and Vesting Conditions.....	8
	Option entitlements.....	8
	Participant rights .....	8
	No transfer of Options .....	8
	Exercise Period for Options .....	9
	Method of exercise.....	9
	No issue unless cleared funds .....	9
	Cashless exercise of Options .....	9
	Minimum Exercise.....	9
	Actions on exercise .....	9
	Lapsing of Options.....	10
	Cancellation of Options .....	10

9	GOOD LEAVER .....	10
10	BAD LEAVER .....	11
11	FORFEITURE .....	11
	Forfeiture Conditions .....	11
	Fraudulent or dishonest actions .....	11
12	BUY-BACK.....	12
	Buy-Back .....	12
	Buy-Back procedure .....	12
	Buy-Back period .....	12
	Buy-Back mechanism .....	12
13	RIGHTS ATTACHING TO PLAN SHARES.....	12
	Shares to rank equally .....	12
	Dividends .....	12
	Dividend reinvestment .....	12
	Voting rights .....	13
14	DISPOSAL RESTRICTIONS .....	13
	Board determines .....	13
	No transfer .....	13
	Board actions .....	13
	Overriding restrictions on dealing .....	13
	Entitlements .....	13
15	CHANGE OF CONTROL EVENT .....	13
16	ADJUSTMENT FOR CAPITAL RECONSTRUCTIONS.....	14
	Reorganisation .....	14
	Notification of adjustments .....	14
	Limited right to participate in new issues .....	14
	Fairness in application .....	14
17	CONTRAVICTION OF APPLICABLE LAWS.....	15
18	ADMINISTRATION OF THE PLAN.....	15
	Plan to be administered in accordance with the Rules .....	15
	Regulations .....	15
	Delegation .....	15
	Decisions final .....	15
	Attorney and agent .....	15
	Notice .....	16
19	PLAN AMENDMENT .....	16

	Amendment of Plan .....	16
	Amendment by addendum .....	17
20	TERMINATION OR SUSPENSION .....	17
	Termination or suspension.....	17
	Resolution to terminate, suspend, supplement or amend.....	17
21	NO EMPLOYMENT CONTRACT.....	17
22	REGULATORY RELIEF .....	18
23	NON-EXCLUSIVITY .....	18
	Non-exclusivity.....	18
	Relationship to other equity plans.....	18
24	MISCELLANEOUS .....	18
	Enforcement.....	18
	Listing Rules .....	18
	No fiduciary capacity.....	19
	Governing law.....	19

## 1 DEFINITIONS AND INTERPRETATION

### Definitions

1.1 In these Rules, unless the context otherwise requires, the following terms and expressions will have the following meanings:

**Applicable Law** means any one or more or all, as the context requires of:

- (a) the Corporations Act and/or any other applicable securities or corporations laws;
- (b) the Listing Rules;
- (c) the Constitution;
- (d) the *Income Tax Assessment Act 1936* (Cth), the *Income Tax Assessment Act 1997* (Cth) and/or any other applicable taxation laws, each as amended from time to time;
- (e) any practice note, policy statement, regulatory guide, class order, declaration, guideline, policy, procedure, ruling, judicial interpretation or other guidance note made to clarify, expand or amend paragraphs (a), (b), and (d); and
- (f) any other legal requirement that applies to the Plan,
- (g) which apply to the jurisdiction in which the Eligible Employee receives the Option and the jurisdiction in which the Company primarily operates from time to time.

**Application** means an application by an Eligible Employee to participate in the Plan made in response to an Invitation Letter.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ABN 98 008 624 691) or the securities exchange it operates as the context requires.

**Bad Leaver** means, unless otherwise determined by the Board in its sole and absolute discretion, a Participant who ceases employment or office with any Group Company in any of the following circumstances:

- (a) the Participant resigns from their employment or office;
- (b) the employment of the Participant is terminated due to poor performance; or
- (c) the Participant's employment is terminated, or the Participant is dismissed from their office, for any of the following reasons:
  - (i) the Participant has committed any serious or persistent breach of the provisions of any employment contract entered into by the Participant with any Group Company;

- (ii) the Participant being guilty of fraudulent or dishonest conduct in the performance of the Participant's duties, which in the reasonable opinion of the relevant Group Company effects the Participant's suitability for employment with that Group Company, or brings the Participant or the Group into disrepute;
- (iii) the Participant has been convicted of any criminal offence which involves fraud or dishonesty;
- (iv) the Participant has committed any wrongful or negligent act or omission which has caused any Group Company substantial liability;
- (v) the Participant has become disqualified from managing corporations in accordance with Part 2D.6 of the Corporations Act or has committed any act that may result in the Participant being banned from managing a corporation under the Corporations Act; or
- (vi) the Participant has committed serious or gross misconduct, wilful disobedience or any other conduct justifying termination of employment without notice.

**Board** means the board of directors of the Company, a committee appointed by the board of directors of the Company as constituted from time to time, or any person who is provided with delegated authority by the board of directors from time to time, as delegated in accordance with clause 18.3.

**Business Day** means a day on which banks are open for general banking business in New South Wales, excluding Saturdays, Sundays or public holidays in New South Wales.

**Buy-Back** means the buy-back by the Company of Plan Shares pursuant to clause 12 and **Bought-Back** has a similar meaning.

**Cancel** means the cancellation of Options by the Company for payment of any consideration to the relevant Participant as required under clause 8.13 and **Cancellation** and **Cancelled** has a similar meaning.

**Certificate** means the certificate issued by the Company to a Participant in respect of an Option.

**Change of Control Event** means:

- (a) where a person or entity becomes a legal or beneficial owner of 50% or more of the issued share capital of the Company;
- (b) where a person or entity becomes entitled to, acquires, holds or has an equitable interest in more than 50% of the issued share capital of the Company; or
- (c) the Board determines that there are circumstances that have occurred or are likely to occur which will result in significant changes to the structure or control of the Company which may adversely affect the value of Options.

**Company** means Prospech Limited ACN 602 043 265.

**Constitution** means the constitution of the Company, as amended from time to time.

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

**Director** means a director of any Group Company.

**Eligible Employee** means:

- (a) any Director or Employee who is declared by the Board in its sole and absolute discretion to be eligible to receive grants of Options under the Plan; or
- (b) any other person who is declared by the Board in its sole and absolute discretion to be eligible to receive grants of Options under the Plan.

**Employee** means a full-time or part-time employee of any Group Company.

**Exercise Period** means the period up to the Expiry Date during which a vested Option may be exercised, and as determined by the Board under clause 8.5.

**Exercise Price** means the exercise price payable by a Participant to acquire a Plan Share upon the exercise of an Option as specified by the Board in the Invitation in its sole and absolute discretion.

**Expiry Date** means:

- (a) the date 10 years from the Grant Date of any Options; or
- (b) any other date determined by the Board and as specified in the Invitation, after which the Options, automatically lapse under clause 8.11.,

**Fee** means any fee payable by a Participant to the Company on the grant of an Option to the Participant, and as determined by the Board in its sole and absolute discretion.

**Forfeiture Conditions** means any criteria, requirements or conditions as determined by the Board (as specified in the Invitation Letter) or under these Rules which if met (notwithstanding the satisfaction or waiver of any Performance Hurdles and Vesting Conditions) will result in the lapsing of Options under clause 11.1.

**Good Leaver** means a Participant who ceases employment or office with any Group Company and is not a Bad Leaver.

**Grant Date** means the date on which Options are granted to a Participant following the acceptance of an Application.

**Group** means the Company and its Related Bodies Corporate and **Group Company** means any one of them.

**Invitation** means an invitation to an Eligible Employee to apply for the grant of Options under these Rules.

**Invitation Letter** means a letter from the Company to an Eligible Employee, which contains the Invitation.

**Issued Capital** means issued ordinary shares whether fully paid or not.

**Listing Rules** means the listing rules, market rules or operating rules of a financial market in respect of which the Company's shares are quoted or are the subject of an application for quotation, including but not limited, the listing rules of the ASX.

**Market Value** means a value determined by application of a valuation methodology approved by the Board.

**Notice of Exercise** means a notice of exercise of Options in the form determined by the Board from time to time.

**Option** means an incentive right granted under this Plan to subscribe for, acquire and/or be allocated (as determined by the Board in its sole and absolute discretion) one Plan Share subject to the satisfaction of any Vesting Conditions and/or Performance Hurdles, and payment of the relevant Exercise Price (if any).

**Participant** means a person who has been offered Options and who has returned a corresponding Application to the Company that has been accepted by the Company pursuant to these Rules.

**Performance Hurdles** means any ongoing minimum performance requirements (as specified in the Invitation Letter and determined by the Board in its sole and absolute discretion) that are to apply to Options granted to a Participant.

**Plan** means the Prospech Securities Incentive Plan established in accordance with these Rules.

**Plan Share** means any Share issued or transferred to a Participant upon exercise of an Option.

**Related Body Corporate** has the meaning given in section 9 of the Corporations Act.

**Rules** means these rules in respect of the operation of the Plan, as amended from time to time and includes all addendums and schedules to these rules.

**Securities** has the meaning given in the ASX Listing Rules.

**Security Interest** means a mortgage, charge, pledge, lien, encumbrance or other third party interest of any nature.

**Share** means a fully paid ordinary share in the capital of the Company.

**Share Trading Policy** means any Company share trading policy as implemented and amended from time to time.

**Shareholder** means any holder of Issued Capital of the Company.

**Shareholder Approval** means any prior consent or affirming resolution that needs to be obtained from Shareholders before an action is taken or determination made under these Rules.

**Term** means the period commencing on the Grant Date and ending on the Expiry Date (inclusive).

**Vesting Condition** means any time based requirement or condition (as specified in the Invitation Letter and determined by the Board in its sole and absolute discretion) which must be met prior to Options vesting in a Participant.

**Vesting Notification** means a notice from the Board to a Participant informing the Participant that the Participant's Options have vested.

### **Interpretation**

1.2 In these Rules, unless otherwise stated or the contrary intention appears:

- 1.2.1 the singular includes the plural and vice versa;
- 1.2.2 a gender includes all genders;
- 1.2.3 a reference to any legislation includes any modification or replacement of it and all regulations and statutory instruments issued under it and a reference to any provision of any legislation includes any modification or substitution of it;
- 1.2.4 a reference to a person includes a reference to the person's executors, administrators and successors or a body corporate including any person taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;
- 1.2.5 in these Rules any reference to include means to include without limitation; and
- 1.2.6 references to dollars and \$ are references to Australian dollars and all amounts payable under these Rules are payable in Australia dollars.

### **Applicable Laws**

1.3 These Rules, the offering and granting of any Options, the issuing and/or transferring of Plan Shares, and the rights attaching to or interests in the Options and Plan Shares, will at all times be subject to all Applicable Laws.

### **Rounding**

1.4 Where any calculation or adjustment to be made pursuant to these Rules produces a fraction of a cent or a fraction of an Option or a Plan Share, the fraction will be eliminated by rounding to the nearest whole number.

### **Headings**

1.5 Headings are inserted in these Rules for convenience only and do not affect the interpretation of these Rules.

## **Constitution**

1.6 The entitlements of Eligible Employees and Participants under these Rules are subject to the Constitution. In the event of any inconsistency between these Rules and the Constitution, the terms of the Constitution will prevail to the extent of that inconsistency.

## **2 PURPOSE**

2.1 The purpose of the Plan is to:

- 2.1.1 assist in the reward, retention and motivation of Eligible Employees;
- 2.1.2 link the reward of Eligible Employees to Shareholder value creation; and
- 2.1.3 align the interests of Eligible Employees with Shareholders by providing an opportunity to Eligible Employees to earn rewards via an equity interest in the Company based on creating Shareholder value.

## **3 COMMENCEMENT OF THE PLAN**

The Plan will commence on the date determined by resolution of the Board.

## **4 MAXIMUM OPTION ALLOCATION**

Unless prior Shareholder Approval is obtained, the number of Options which may be granted under this Plan (assuming all Options were exercised) must not at any time exceed in aggregate 10% of the total Issued Capital of the Company at the date of any proposed new Options.

## **5 ELIGIBILITY AND GRANT**

### **Participation**

5.1 The Board may from time to time in its sole and absolute discretion determine that an Eligible Employee may participate in the Plan.

### **Selection**

5.2 Following determination that an Eligible Employee may participate in the Plan, the Board may at any time and from time to time make an Invitation to the Eligible Employee.

### **Options that may be made under the Plan**

5.3 The Company may, at the sole and absolute discretion of the Board, offer and issue to an Eligible Employee the Options provided under the Plan, as set out in the Invitation Letter.

### **Invitation**

5.4 Subject to clause 6.1, the manner, form, content, timing and frequency of an Invitation Letter and Application will be as determined by the Board in its sole and absolute discretion.

## **Application**

5.5 Unless otherwise determined by the Board in its sole and absolute discretion, an Eligible Employee who wishes to apply to participate in the Plan in response to an Invitation must, on or before the period of time allowed for acceptance of the Invitation, give an Application:

- 5.5.1 to the person specified in the Invitation;
- 5.5.2 in accordance with any instructions or conditions set out in the Invitation; and
- 5.5.3 in the case of a grant of Options, on the acceptance by the Board of the Application, the notice confirming the grant of the Options will be accompanied by a Certificate.

## **Multiple Invitations**

5.6 Unless otherwise determined by the Board in its sole and absolute discretion, the Board may grant any number of Options to an Eligible Employee, as set out in any Invitation Letter, notwithstanding that a grant or grants may have been previously made to the Eligible Employee.

## **6 TERMS OF OPTIONS**

### **Board determination**

6.1 The terms and conditions of Options offered or granted under these Rules to each Eligible Employee will be:

- 6.1.1 determined by the Board in its sole and absolute discretion and include as a minimum:
  - 6.1.1.1 the number of Options;
  - 6.1.1.2 the Grant Date;
  - 6.1.1.3 the Fee (if any);
  - 6.1.1.4 the Performance Hurdles (if any);
  - 6.1.1.5 the Vesting Conditions (if any);
  - 6.1.1.6 the Exercise Price (if any);
  - 6.1.1.7 the Exercise Period;
  - 6.1.1.8 the Expiry Date and Term;
  - 6.1.1.9 the Forfeiture Conditions (if any);
  - 6.1.1.10 any rights attaching to the Options and/or the Plan Shares in respect of which the Options are exercisable; and
  - 6.1.1.11 any disposal restrictions attaching to the Options and/or Plan Shares; and

6.1.2 set out in an Invitation Letter delivered to the Eligible Employee.

#### **Options to be recorded**

6.2 Options will be recorded in the appropriate register of the Company.

#### **Listing**

6.3 Unless determined otherwise by the Board in its sole and absolute discretion, Options issued under the Plan will not be quoted on the ASX or any other recognised stock exchange.

### **7 EMPLOYEE SHARE TRUST**

The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding Options and/or Plan Shares for Participants under the Plan, and delivering Plan Shares on behalf of Participants upon exercise of Options.

### **8 OPTIONS**

#### **Performance Hurdles and Vesting Conditions**

8.1 Options will only vest and be exercisable if the applicable Performance Hurdles and/or Vesting Conditions (if any) have been satisfied, waived by the Board or are deemed to have been satisfied under these Rules.

#### **Option entitlements**

8.2 Subject to the Board determining otherwise prior to an Invitation, and subject to these Rules, each vested Option entitles the Participant holding the Option to subscribe for, or to be transferred, one Plan Share, in the case of an Option, on payment of the Exercise Price (if any).

#### **Participant rights**

8.3 A Participant who holds Options is not entitled as a result to:

8.3.1 notice of, or to vote at or attend, a meeting of the Shareholders unless and until the Options are exercised and the Participant holds Plan Shares; or

8.3.2 receive any dividends declared by the Company in respect of such Options.

#### **No transfer of Options**

8.4 Options granted under this Plan may not be assigned, transferred, encumbered with a Security Interest in or over them, or otherwise disposed of by a Participant, unless:

8.4.1 the prior consent of the Board is obtained, which consent may impose such terms and conditions on such assignment, transfer, encumbrance or disposal as the Board sees fit; or

8.4.2 such assignment or transfer occurs by force of law upon the death of a Participant to the Participant's legal personal representative.

### **Exercise Period for Options**

8.5 The Exercise Period for any Option will be as determined by the Board in its sole and absolute discretion.

### **Method of exercise**

8.6 In the case of an Option, following the issue of a Vesting Notification to the Participant, the vested Option is exercisable by the Participant within the Exercise Period specified by the Board in the Invitation Letter, subject to the Participant delivering to the registered office of the Company or such other address as determined by the Board:

- 8.6.1 a signed Notice of Exercise;
- 8.6.2 subject to clause 8.8, a cheque or cash or such other form of payment determined by the Board in its sole and absolute discretion as satisfactory for the amount of the Exercise Price (if any); and
- 8.6.3 the relevant Certificate, or documentary evidence satisfactory to the Board that the relevant Certificate was lost or destroyed.

### **No issue unless cleared funds**

8.7 Where a cheque is presented as payment of the Exercise Price on the exercise of Options, the Company will not, unless otherwise determined by the Board, allot and issue or transfer Plan Shares until after the cheque delivered in payment of the Exercise Price has been cleared by the banking system.

### **Cashless exercise of Options**

8.8 The Board may determine in its sole and absolute discretion that a Participant will not be required to provide payment of the Exercise Price of Options by cash, cheque or some other method acceptable to the Company, but that on exercise of the Options the Company will only allot and issue or transfer that number of Plan Shares to the Participant that are equal in value to the difference between the Exercise Price otherwise payable in relation to the Options and the then Market Value of the Plan Shares as at the time of the exercise (with the number of Plan Shares rounded down).

### **Minimum Exercise**

8.9 Options must be exercised in multiples of 100 unless fewer than 100 Options are held by a Participant or the Board otherwise agrees.

### **Actions on exercise**

8.10 On completion of the exercise of Options:

- 8.10.1 the Options will automatically lapse;
- 8.10.2 the Company will allot and issue, or transfer, the number of Plan Shares for which the Participant is entitled to subscribe for or acquire through the exercise of such Options (as the case may be); and
- 8.10.3 issue a substitute Certificate(s) for any remaining Options.

### **Lapsing of Options**

8.11 Unless the Board otherwise determines in its sole and absolute discretion, Options will lapse on the earlier of:

- 8.11.1 the application of clauses 9 or 10;
- 8.11.2 the application of clause 11;
- 8.11.3 the application of clause 15;
- 8.11.4 if applicable Performance Hurdles and/or Vesting Conditions are not achieved by the relevant time;
- 8.11.5 if the Board determines in its reasonable opinion that the applicable Performance Hurdles and/or Vesting Conditions have not been met and cannot be met prior to the Expiry Date; or
- 8.11.6 the Expiry Date.

8.12 Where a Participant's Options have lapsed under clause 8.11, the Company will:

- 8.12.1 notify the Participant that the Options held by them have lapsed;
- 8.12.2 do such things and enter such arrangements with the Company's share registry or otherwise as it considers necessary, and the Participant will be bound by any action by the Company under this clause 8.12; and
- 8.12.3 not be liable for any damages, compensation or other amounts to the Participant in respect of the Options.

### **Cancellation of Options**

8.13 Notwithstanding any other provisions of the Plan, and subject to Applicable Laws, if a Participant and the Board have agreed in writing that some or all of the Options granted to that Participant may be Cancelled on a specified date or on the occurrence of a particular event, then the Board may Cancel those Options on the relevant date or on the occurrence of the particular event (as the case may be).

8.14 Where Options are to be Cancelled by the Company, the Company may do such things and enter such arrangements with the Company's share registry or otherwise as it considers necessary to enforce any Cancellation and the relevant Participant will be bound by any action by the Company under this clause 8.14.

## **9      GOOD LEAVER**

9.1 Where a Participant becomes a Good Leaver:

- 9.1.1 unless the Board in its sole and absolute discretion determines otherwise: any and all vested Options held by the Participant which have not been exercised will continue in force and remain exercisable until the Expiry Date or such lesser period as determined by the Board;

9.1.2 the Board may determine, in its sole and absolute discretion, the manner in which any unvested Options held by the Participant will be dealt with, including but not limited to:

- 9.1.2.1 allowing some or all of those unvested Options to continue to be held by the Participant, and be subject to existing Performance Hurdles and/or Vesting Conditions;
- 9.1.2.2 undertaking a Buy-Back of some or all of the unvested Options in accordance with clause 12; and/or
- 9.1.2.3 requiring that any remaining unvested Options automatically lapse in accordance with clause 8.11.

## **10 BAD LEAVER**

10.1 Where a Participant becomes a Bad Leaver, unless the Board in its sole and absolute discretion determines otherwise:

- 10.1.1 any and all vested Options held by the Participant which have not been exercised will continue in force and remain exercisable until the Expiry Date; and
- 10.1.2 all unvested Options held by the Participant will automatically lapse in accordance with clause 8.11.

## **11 FORFEITURE**

### **Forfeiture Conditions**

11.1 The Board may determine prior to an Invitation if any Forfeiture Conditions apply in respect of Options.

11.2 If any of the Forfeiture Conditions set out in the Invitation Letter is met, unless otherwise determined by the Board in its sole and absolute discretion, all unvested and vested Options held by the Participant will automatically lapse in accordance with clause 8.11.

### **Fraudulent or dishonest actions**

11.3 In addition to the Forfeiture Conditions (if any), where, in the reasonable opinion of the Board, a Participant:

- 11.3.1 acts fraudulently or dishonestly; or
- 11.3.2 wilfully breaches his or her duties to the Group,

then the Board may deem all Options held by the Participant will be treated in accordance with clause 11.1.

## **12 BUY-BACK**

### **Buy-Back**

12.1 Subject to Applicable Law, the Company may at any time Buy-Back Options and/or Plan Shares in accordance with clause 12.2.

#### **Buy-Back procedure**

12.2 Unless otherwise stated in these Rules, the Board may cause the Company to Buy-Back Options and/or Plan Shares held by a Participant for:

- 12.2.1 an amount agreed with the Participant at any time; or
- 12.2.2 where there is a formal takeover offer made for at least 50% of the Shares, the Company may Buy-Back Plan at the price or prices offered by the bidder under the takeover offer and/or as considered appropriate by the Board in its reasonable opinion in light of such an offer.

#### **Buy-Back period**

12.3 Any Buy-Back under clause 12.2 may occur in one or more tranches within such time, as determined by the Board in its sole and absolute discretion.

#### **Buy-Back mechanism**

12.4 Each Participant will do all acts, matters and things which are necessary or desirable to give effect to any Buy-Back of the Participant's Options and/or Plan Shares.

## **13 RIGHTS ATTACHING TO PLAN SHARES**

### **Shares to rank equally**

13.1 Any Plan Shares allotted, issued or transferred by the Company to a Participant under the Plan will rank equally with all existing Shares on and from the date of allotment, issue or transfer, including in respect of all rights and bonus issues.

### **Dividends**

13.2 A Participant will have a vested and indefeasible entitlement to any dividends declared and distributed by the Company on any Plan Shares which, at the record date for determining entitlement to those dividends, are standing to the account of the Participant.

### **Dividend reinvestment**

13.3 The Participant may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares held by the Participant and such participation must be in respect of all Plan Shares held by the Participant. Shares issued under any dividend reinvestment plan operated by the Company will be subject to the same terms and conditions as the Plan Shares held by the Participant.

### **Voting rights**

13.4 A Participant may exercise any voting rights attaching to Plan Shares registered in the Participant's name.

## **14 DISPOSAL RESTRICTIONS**

### **Board determines**

14.1 The Board, in its sole and absolute discretion, may determine, prior to an Invitation being made, whether there will be any restrictions on the disposal of, the granting (or purporting to grant) of any Security Interest in or over, or otherwise on dealing with (or purporting to dispose or deal with), Plan Shares held by any Participants.

### **No transfer**

14.2 Subject to clause 14.1, Plan Shares, or any beneficial or legal interest in those shares, may not be transferred, encumbered or otherwise disposed of, or have a Security Interest granted over them, by a Participant unless all restrictions on the transfer, encumbrance or disposal of the Plan Shares have been met, the Board has waived any such restrictions, or prior consent of the Board is obtained which consent may impose such terms and conditions on such transfer, encumbrance or disposal as the Board sees fit.

### **Board actions**

14.3 The Company may do such things and enter into such arrangements with the Company's share registry or otherwise as it considers necessary to enforce the transfer restrictions set out in clause 14.2, including but not limited imposing a holding lock on the Plan Shares or using an employee share trust to hold any such shares during the relevant restriction period. Participants will be bound by any action by the Company under this clause 14.3.

### **Overriding restrictions on dealing**

14.4 Plan Shares must not be dealt with under this clause 14 if to do so would contravene Applicable Laws and Participants must comply with any Share Trading Policy at all times.

### **Entitlements**

14.5 For the avoidance of doubt, the imposition of a restriction on the Plan Shares held by a Participant pursuant to clause 14.1 will not affect the Participant's entitlement to receive a notice of, or to vote or attend at, a meeting of the members of the Company or Shareholders, and to receive any dividends declared by the Company during the relevant restriction period.

## **15 CHANGE OF CONTROL EVENT**

15.1 In the event of a Change of Control Event, and unless the Board determines otherwise in its sole and absolute discretion:

15.1.1 Options granted will vest where, in the Board's sole and absolute discretion, the Vesting Conditions and Performance Hurdles applicable to those Options have been satisfied, but that vesting will occur only on a pro rata basis based on the period with has elapsed from the Grant Date to the date of the Change of Control Event when compared to the relevant overall vesting period; and

15.1.2 any Options which the Board determines will not vest under clause 15.1.1 will automatically lapse in accordance with clause 8.11.

## **16 ADJUSTMENT FOR CAPITAL RECONSTRUCTIONS**

### **Reorganisation**

16.1 Subject to any Applicable Laws, following any variation to the Issued Capital of the Company arising from:

- 16.1.1 a reduction, subdivision or consolidation of the Issued Capital of the Company;
- 16.1.2 a reorganisation of the Issued Capital of the Company;
- 16.1.3 a distribution of assets in specie;
- 16.1.4 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
- 16.1.5 any issue of Shares or other equity securities or instruments which convert into Shares by way of capitalisation of profits or reserves,

the number of Options to which each Participant holds under the Plan, and the Exercise Price of Options (if any) held by each Participant, will be adjusted in accordance with the Listing Rules.

### **Notification of adjustments**

16.2 Upon any adjustment being made pursuant to clause 16.1, the Board will notify each Participant (or his or her legal personal representative where applicable) in writing, informing them of the number of Options (and issuing new Certificate(s) in those circumstances) and/or Plan Shares held by the relevant Participant.

### **Limited right to participate in new issues**

16.3 Subject to clause 16.1, during the currency of any Options and prior to their vesting, Participants are not entitled to participate in any new issue of Securities of the Company as a result of their holding Options.

### **Fairness in application**

16.4 In the application of this clause 16, the Board may (as far as possible) make whatever adjustments it deems necessary or desirable to ensure that the consequences of that application are fair as between the Participants and the holders of other securities in the Company subject to any Applicable Laws including the Listing Rules.

## 17 CONTRAVENTION OF APPLICABLE LAWS

No act will be done or determination made in accordance with these Rules where to do so would be a breach of any Applicable Laws, and where any such act is done or determination made it will be considered void and to the extent possible be unwound and of no effect in respect of Options and/or Plan Shares.

## 18 ADMINISTRATION OF THE PLAN

### **Plan to be administered in accordance with the Rules**

- 18.1 The Plan will be administered by the Board in accordance with these Rules.

### **Regulations**

- 18.2 The Board may make such regulations for the operation of the Plan as it considers necessary, provided such regulations are consistent with these Rules.

### **Delegation**

- 18.3 The Board may delegate any of its powers or discretions conferred on it by these Rules to a committee of the Board or to any one or more persons selected by it, including but not limited to the company secretary.

- 18.4 Any delegation will be for such period and upon such terms and conditions as determined by the Board from time to time.

### **Decisions final**

- 18.5 Every exercise of a discretion by the Board (or its delegates) and any decision by the Board (or its delegates) regarding the interpretation, effect or application of these Rules will be final, conclusive and binding.

### **Attorney and agent**

- 18.6 Each Participant hereby authorises and appoints the company secretary of the Company holding office at the relevant time (or their delegate) as their agent or attorney with power to do all things necessary in the name of and on behalf of the Participant to give effect to these Rules, including and without limitation, signing Option and/or Plan Share transfers, and signing all documents and doing all acts necessary to effect a Buy-Back or Cancellation, and accounting for the proceeds of the sale of forfeited shares, but expressly excluding the power to exercise Options granted to the Participant under the Plan.
- 18.7 Each Participant agrees to indemnify and hold harmless any person acting as their agent or attorney in accordance with these Rules in respect of all costs, damages or losses of whatever nature arising from so acting, other than costs, damages or losses arising out of the agent's or the attorney's gross negligence, dishonesty, fraud or wilful breach of their duties.

## **Notice**

18.8 Address for service:

- 18.8.1 any notice required to be given to the Participants under the Plan or the terms of the Options granted will be sent to the address of the Participant as entered in the register unless delivered in person; or
- 18.8.2 any notice required to be given to the Company under the Plan or the terms of the Options granted will be sent to the registered office of the Company or such other address as is notified to Participants from time to time.

18.9 Delivery of notices:

- 18.9.1 any notice to be given to Participants may be delivered by hand to the Participant;
- 18.9.2 any notice to be given to the Company may be delivered by hand or by prepaid post. Notices may also be given to the Company by means of email or other mode of electronic delivery to such address as is notified by the Company to the Participant; or
- 18.9.3 notices delivered to Participants in accordance with the Constitution will be taken to be delivered in accordance with the Constitution. Notices delivered to the Company by pre-paid post will be taken to be delivered if properly addressed and stamped, 48 hours after mailing in Australia and seven days after mailing outside Australia. Notices delivered by email or other mode of electronic delivery will be taken to be delivered on receipt of a successful transmission notice, return receipt or such other confirmation by which the sender can reasonably verify delivery.

## **19 PLAN AMENDMENT**

### **Amendment of Plan**

19.1 Subject to clause 19.2, the Listing Rules and the Constitution, the Board may at any time amend these Rules or the terms and conditions upon which Options have been issued under the Plan.

19.2 No amendment to these Rules or to Options granted under the Plan may be made if the amendment materially reduces the rights of any Participant in respect of Options granted to them prior to the date of the amendment, other than:

- 19.2.1 an amendment introduced primarily:
  - 19.2.1.1 for the purposes of complying with or conforming to present or future legislation governing or regulating the Plan or like plans;
  - 19.2.1.2 to correct any manifest error or mistake;
  - 19.2.1.3 to allow the implementation of a trust arrangement in relation to the holding of Plan Shares granted under the Plan;
  - 19.2.1.4 for the purpose of complying with the Applicable Laws; and/or

- 19.2.1.5 to take into consideration possible adverse taxation implications in respect of the Plan 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; or
- 19.2.2 an amendment agreed to in writing by the relevant Participant(s).

19.3 Subject to the Listing Rules, the Board may determine that any amendment to these Rules or the terms of Options granted under the Plan be given retrospective effect.

19.4 Any amendment of these Rules or the terms and conditions upon which Options are granted under the Plan by the Board will be of immediate effect unless otherwise determined by the Board.

19.5 As soon as reasonably practicable after making any amendment to these Rules or the terms and conditions of Options granted under the Plan, the Board will give notice of the amendment to any Participant affected by the amendment. Failure by the Board to notify a Participant of any amendment will not invalidate the amendment as it applies to that Participant.

#### **Amendment by addendum**

19.6 Subject to any other provision of these Rules, the Board may from time to time amend the terms of this Plan as they will apply to Participants in particular jurisdictions or circumstances by means of an addendum to these Rules.

### **20 TERMINATION OR SUSPENSION**

#### **Termination or suspension**

20.1 Subject to clause 20.2, the Board may at any time terminate the Plan or suspend the operation of the Plan for such period or periods as it thinks fit.

#### **Resolution to terminate, suspend, supplement or amend**

20.2 In passing a resolution to terminate or suspend the operation of the Plan, the Board must consider and endeavour to ensure that there is fair and equitable treatment of all Participants.

### **21 NO EMPLOYMENT CONTRACT**

21.1 Nothing in these Rules or the terms of any Option:

- 21.1.1 confers upon an Eligible Employee a right to a grant or offer of a grant of Options;
- 21.1.2 confers on an Eligible Employee or a Participant the right to continue as an employee or officer of a Group Company (as the case may be);
- 21.1.3 affects the rights of a Group Company to terminate the employment or office of an Eligible Employee or a Participant (as the case may be);

- 21.1.4 affects the rights and obligations of any Eligible Employee or Participant under the terms of their office or employment with any Group Company;
- 21.1.5 confers any legal or equitable right on an Eligible Employee or a Participant whatsoever to take action against any Group Company in respect of their office or employment; or
- 21.1.6 confers on an Eligible Employee or a Participant any rights to compensation or damages in consequence of the termination of their employment or office by a Group Company for any reason whatsoever including ceasing to have rights under the Plan as a result of such termination.

## **22 REGULATORY RELIEF**

Notwithstanding any other provisions of the Plan, every covenant or other provisions set out in an exemption or modification granted from time to time by ASIC and/or any other regulatory body (as applicable) in respect of the Plan or which applies to the Plan pursuant to their power to exempt and modify the Corporations Act and/or any other Applicable Laws and required to be included in the Plan in order for that exemption or modification to have full effect, is deemed to be contained in the Plan. To the extent that any covenant or other provision deemed by this clause 22 to be contained in the Plan is inconsistent with any other provision in the Plan, the deemed covenant or other provision will prevail.

## **23 NON-EXCLUSIVITY**

### **Non-exclusivity**

- 23.1 This Plan will not be deemed to be the exclusive method of providing incentive compensation to Eligible Employees, nor will it preclude any Group Company from authorising or approving other forms of incentive compensation for employees of any Group Company.

### **Relationship to other equity plans**

- 23.2 Participation in this Plan will not affect or be affected by any participation in any other employee equity plan operated by any Group Company, except as specifically provided in the terms of that other plan.

## **24 MISCELLANEOUS**

### **Enforcement**

- 24.1 These Rules, any determination of the Board made pursuant to the Rules, and the terms of any Option granted under the Plan, will be deemed to form a contract between the Company and the Participant.

### **Listing Rules**

- 24.2 While the Company remains admitted to the ASX or any other recognised stock exchange, the provisions of the relevant Listing Rules will apply to the Plan, and to the extent that the Plan and the Listing Rules are inconsistent, the provisions of the relevant Listing Rules will apply.

**No fiduciary capacity**

24.3 The Board may exercise any power or discretion conferred on it by these Rules in the interest or for the benefit of the Company, and in so doing the Board is not required to act in the interests of another person or as requested by another person and will not be under any fiduciary obligation to another person.

**Governing law**

24.4 This Plan and any Option granted under it will be governed by, and must be construed according to, the laws of the State of New South Wales and the Commonwealth of Australia.