



Adopted by the Board on 9th August 2018


Althea Group Holdings Limited

Long Term Incentive Plan Rules

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Long Term Incentive Plan Rules

1 Definitions and interpretation

1.1 Definitions

In these Plan Rules:

- (1) **Application** means an application for Incentives made by an Eligible Participant under the terms of an Invitation;
- (2) **Application Form** means an application form attached to an Invitation;
- (3) **ASIC Instrument** means ASIC Class Order [CO 14/1000] or any variation or replacement of that instrument from time to time;
- (4) **ASX** means the Australian Securities Exchange or ASX Limited (ABN 98 008 624 691), as the context requires;
- (5) **ASX Holding Lock** has the same meaning as "Holding Lock" in Chapter 19 of ASX Listing Rules;
- (6) **ASX Listing Rules** means the listing rules of ASX, as amended from time to time;
- (7) **Board** means the board of directors of the Company or the Remuneration Committee of the Board (as constituted from time to time), if the Board so determines (or any other persons to whom powers under this Plan are delegated by the Board);
- (8) **Business Day** means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Melbourne;
- (9) **CEO** means the chief executive officer of the Company;
- (10) **CFO** means the chief financial officer of the Company;
- (11) **Change of Control Event** means:
 - (a) a Takeover Bid;
 - (b) a Scheme of Arrangement; or
 - (c) any other transaction or series of transactions,

that results in a change of control (as the term is defined under section 50AA of the Corporations Act) of the Company, and for the avoidance of doubt includes the voluntary or compulsory winding up of the Company;
- (12) **Company** means Althea Group Holdings Limited ACN 626 966 943;
- (13) **Constitution** means the constitution of the Company, as amended from time to time;
- (14) **Corporations Act** means the *Corporations Act 2001* (Cth);

- (15) **Eligible Participant** means:
- (a) each director of the Company or of a Group Entity;
 - (b) any full or part time employee or contractor of the Company or a Group Entity,
- as selected by the Board from time to time in its absolute discretion;
- (16) **Exercise Period** means, in respect of an Incentive that may be exercised by the Participant, the period at the end of which that Incentive will automatically lapse if not exercised;
- (17) **Exercise Price** means, in respect of an Incentive, the amount payable (if any) on exercise or vesting of the Incentive as specified in the Invitation and adjusted in accordance with these Plan Rules;
- (18) **Good Leaver** means a Participant that ceases to be employed by any Group Entity for any of the reasons set out in paragraphs 7.3(1)(a), 7.3(1)(b), 7.3(1)(c), 7.3(1)(d) or 7.3(1)(e) of Schedule 1 or Schedule 2 respectively;
- (19) **Grant Date** means, in respect of an Incentive, the date on which the Incentive is issued, transferred or granted to the Participant after the Company receives a duly completed Application Form;
- (20) **Group** means the Company and each body corporate that is a subsidiary of the Company from time to time;
- (21) **Group Entity** means a member of the Group;
- (22) **Incentive** means either:
- (a) a Performance Right granted under Schedule 1; or
 - (b) an Option granted under Schedule 2; or
 - (c) any other incentive that is approved for issue to Participants by the Board prior to vesting,
- issued in accordance with these Plan Rules from time to time and does not, for the avoidance of doubt, include any Shares issued after satisfaction of the Vesting Conditions;
- (23) **Invitation** has the meaning given in Rule 3.3(1);
- (24) **Market Value** means, in respect of a Share, the volume weighted average price of a Share over a period set out in the Invitation or otherwise determined by the Company including all trades on ASX's trading platform including the closing single price auction, but excluding all off-market trades such as transactions defined in the ASX Operating Rules as special crossings, crossings prior to the commencement of the open session state, crossings during overnight trading, any overseas trades or trades pursuant to the exercise of options over the Company's Shares and any other trades that the Company determines to exclude in its absolute discretion (acting reasonably) on the basis that the trades are not fairly reflective of natural supply and demand;
- (25) **Option** means an option to acquire a Share granted under Schedule 2;

- (26) **Participant** means an Eligible Participant who accepts an Invitation made under the Plan;
- (27) **Performance Right** means a contractual right to acquire a Share granted under Schedule 1;
- (28) **Plan** means the Althea Group Holdings Limited Incentive Plan as set out in these Plan Rules, as altered or added to under Rule 4.2(3);
- (29) **Plan Rules** means the rules set out in this document and includes, for avoidance of doubt, each of the sub-plan rules set out in the Schedules (as applicable);
- (30) **Redundancy** means termination of employment of a Participant by a Group Entity due to economic, technological, structural or other organisational change where through no act or default of the Participant:
- (a) the Group Entity no longer requires the duties and responsibilities carried out by the Participant to be carried out by anyone; or
 - (b) the Group Entity no longer requires the position held by the Participant to be held by anyone;
- (31) **Regulator** means any government and any governmental body, whether:
- (a) legislative, judicial or administrative;
 - (b) a department, commission, authority, instrumentality, tribunal, agency or entity; or
 - (c) commonwealth, state, territorial or local;
- and includes any self-regulatory organisation established under any law but excludes a governmental body in respect of any service or trading functions as distinct from regulatory or fiscal functions;
- (32) **Restricted Share** has:
- (a) in respect of a Share issued on vesting of a Performance Right, the meaning given in paragraph 6.1 of Schedule 1; and
 - (b) in respect of a Share issue on exercise of an Option, the meaning given in paragraph 6.1 of Schedule 2;
- (33) **Retirement** means termination of the employment of a Participant with a Group Entity because:
- (a) the Participant attains the age that the Board accepts as the retirement age for that individual;
 - (b) the Participant is unable, in the opinion of the Board, to perform his or her duties because of illness or incapacity;
- (34) **Rights Issue** means an issue which has been offered to all existing shareholders of the Company on a pro rata basis;
- (35) **Scheme of Arrangement** means a scheme of arrangement constituted under Part 5.1 of the Corporations Act;

- (36) **Security Interest** means a mortgage, charge, pledge, lien or other encumbrance of any nature;
- (37) **Share** means a fully paid ordinary share in the capital of the Company;
- (38) **Takeover Bid** has the meaning given in section 9 of the Corporations Act;
- (39) **Transfer Restriction Period** has the meaning given in paragraph 6.1 of Schedule 1 or paragraph 6.1 of Schedule 2 (as applicable);
- (40) **Trust** means any trust established by the Trustee for the purposes of the Plan, the beneficiaries of which include the Participants;
- (41) **Trustee** means the trustee or trustees for the time being of any employee share ownership scheme or plan trust established for the purposes of the Plan;
- (42) **Vesting Condition** means, in relation to an Incentive, a condition which must be satisfied or waived before the Participating holding the Incentive becomes entitled to exercise or receive the Share(s); and
- (43) **Vesting Period** means:
 - (a) in respect of an Incentive which is tested against periodic performance criteria, the period during which the performance criteria will be applied; or
 - (b) in respect of an Incentive which is tested on the occurrence of a specific event, the period between the Grant Date and the date of that event.

1.2 Rules for interpreting this document

Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

- (1) A reference to:
 - (a) legislation (including subordinate legislation) includes a modification, waiver or re-enactment of them and, in the case of legislation, includes any subordinate legislation issued under it;
 - (b) a document or agreement, or a provision of a document or agreement, is to that document, agreement or provision as amended, supplemented, replaced or notated;
 - (c) a party to a document or agreement includes a permitted substitute or a permitted assign of that party;
 - (d) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
 - (e) anything (including a right, obligation or concept) includes each part of it.
- (2) A singular word includes the plural, and vice versa.
- (3) A word which suggests one gender includes the other genders.
- (4) If a word is defined, another part of speech has a corresponding meaning.

- (5) If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
- (6) The words **associate**, **related body corporate** and **subsidiary** have the meanings given to them in the Corporations Act.

2 Introduction

2.1 Objective

The Plan provides Eligible Participants with an opportunity to acquire an ownership interest or exposure to an ownership interest in the Company. The Plan is designed to incentivise and reward Participants for the achievement of challenging performance hurdles that are aligned with the creation of long-term shareholder value.

2.2 Commencement

The Plan will commence on the date of it being adopted by the Board.

2.3 Rules are binding

The Company, the Trustee and each Participant are bound by these Plan Rules.

2.4 Plan does not limit other arrangements

This Plan is not the sole means by which the Company intends to provide incentives to Participants. Nothing in this Plan is intended to restrict the Company from remunerating or otherwise rewarding Participants outside the Plan.

3 Eligibility and invitation

3.1 Eligibility

In its discretion, the Board may from time to time in its absolute discretion nominate any Eligible Participant for participation in the Plan and determine the terms of the incentive to be offered to the Eligible Participant.

3.2 Matters Board may take into account

In making its determination to invite an Eligible Participant to participate in the Plan, the Board may take into account any matter which it considers relevant including, but not limited to:

- (1) (**position**) the position in the Group held or to be held by the Eligible Participant;
- (2) (**employment arrangements**) the Eligible Participant's employment arrangements with the Group including any other employment benefits (including short term incentives);
- (3) (**contribution**) the contribution made by, or the potential contribution to be made by, the Eligible Participant to the Group; and
- (4) (**shareholders**) the interests of the shareholders in the Group.

3.3 Invitation

- (1) An invitation to participate in the Plan (**Invitation**) may be made to an Eligible Participant:
 - (a) by the Board at any time;
 - (b) subject to these Plan Rules, in any form; and
 - (c) on any additional conditions or subject to any additional restrictions, as the Board decides in its absolute discretion.
- (2) The Invitation to an Eligible Participant must be accompanied by an Application Form, and must include (without limitation):
 - (a) (**name**) the name of the Eligible Participant;
 - (b) (**terms and conditions**) the terms and conditions attaching to the Incentives, including the Vesting Conditions, and any other restrictions of participation;
 - (c) (**maximum number of Incentives**) the maximum number of Incentives for which the Eligible Participant may make application;
 - (d) (**Grant Date**) the proposed Grant Date for the Incentives;
 - (e) (**Vesting Period**) the Vesting Period for each Incentive offered in the Invitation;
 - (f) (**Exercise Price**) the Exercise Price (if any) or the manner of determining the Exercise Price of the Incentives; and
 - (g) (**acceptance**) the time by which the Invitation is to be accepted and the Application Form signed and returned indicating the Eligible Participant's acceptance of the Invitation.

3.4 Participant agrees to be bound

Each Participant is, by submitting the duly signed Application Form, deemed to have agreed to be bound by:

- (1) the terms, conditions and restrictions of participation on the basis of those set out in the Invitation;
- (2) these Plan Rules, as amended from time to time;
- (3) the Constitution of the Company, as amended from time to time;
- (4) the provisions of Schedule 1 or Schedule 2, as applicable.

3.5 Who may apply

On receipt of an Invitation, the Eligible Participant may apply for the Incentives described in the Invitation by sending the completed Application Form to the Company (or its designated officer set out on the Application Form) by the time and date specified in the Invitation, unless otherwise determined by the Board.

3.6 **Acceptance of Application**

The Company may not grant any Incentives unless it has received a duly signed and completed Application Form from the Eligible Participant. The Application must be made in the form included with the Invitation, and may not be made on the basis that it is subject to any terms and conditions other than those specified in the Invitation.

3.7 **When Application will not be accepted**

An Application will not be accepted if, at the time the Company receives the duly completed and signed Application Form:

- (1) the applicant is not an Eligible Participant;
- (2) the applicant has given notice of his or her resignation as an employee of the Company or a Group Entity;
- (3) the applicant has been given notice of termination of employment as an employee of the Company or a Group Entity; or
- (4) the Board otherwise determines in its absolute discretion that an Eligible Participant who would otherwise be eligible to participate under these Rules will not be accepted.

3.8 **Personal nature**

An Invitation is not transferable and an Eligible Participant may only accept an offer of Incentives in the Eligible Participant's name and not on behalf of any other person unless the Invitation provides that the offer may be accepted in the name of another associated or related person.

4 Administration of the plan

4.1 **Board administration**

The Plan will be established and administered by the Board and the Trustee in accordance with the terms and conditions set out in these Plan Rules or as determined by the Board from time to time. For the avoidance of doubt, the Board may in its absolute discretion make further provisions for the operation of the Plan.

4.2 **Board powers**

The Board may:

- (1) **(procedures)** decide on appropriate procedures for administering the Plan, including the form and terms of the Invitations, Application Forms and other forms and notices to be issued under the Plan;
- (2) **(resolve questions)** resolve conclusively all questions of fact or interpretation concerning the Plan and these Plan Rules and any dispute of any kind that arises under the Plan;
- (3) **(amend or waive)** subject to Rule 5.4, amend, add to or waive any Plan Rules, or any restriction or other condition relating to any Incentive granted under the Plan;
- (4) **(waive a breach)** waive any breach of a provision of the Plan;

- (5) **(suspend the Plan)** suspend or cancel the operation of the Plan. The suspension or cancellation of the Plan must not prejudice the existing rights (if any) of Participants; and
- (6) **(delegation)** consistent with clause 4.4, delegate to any one more persons for such period and on such conditions as the Board may determine to exercise and of the Board's powers or discretions arising under the Plan.

An amendment made by the Board may be given retrospective effect as specified in the written instrument by which the amendment is made.

4.3 **Board's discretion**

Subject to Rule 5.4, the Board has an unfettered and absolute discretion:

- (1) in exercising any power or discretion concerning these Plan Rules; and
- (2) to act or refrain from acting under these Plan Rules.

The Board is not, in exercising any power or discretion, under any fiduciary or other obligation to any person other than the Company.

4.4 **Delegation of the Board's powers and discretions**

Any power or discretion which is conferred on the Board by these Plan Rules including, without limitation, the power to invite Eligible Participants to participate in the Plan and to determine the terms and conditions of the Incentives may be delegated by the Board to:

- (1) a committee consisting of such directors, other officers or employees of the Company, or any combination of such persons as the Board thinks fit;
- (2) a related body corporate of the Company; or
- (3) a third party,

for such periods and on such conditions as the Board thinks fit.

4.5 **Board's decision final and conclusive**

The decision of the Board as to the interpretation, effect or application of these Plan Rules and all calculations and determination made by the Board under these Plan Rules are final, conclusive and binding in the absence of manifest error.

4.6 **Invitation prevails**

The terms, conditions and restrictions set out in the Invitation may provide that they prevail to the extent of any inconsistency between the terms, conditions and restrictions set out in the Invitation and these Plan Rules.

4.7 **Non-residents of Australia**

The Board may adopt additional rules of the Plan applicable in any jurisdiction outside Australia under which Incentives granted under the Plan may be subject to additional or modified terms, having regard to any securities, exchange control or taxation laws or regulations or similar factors which may apply to the Participant or to the Company or any subsidiary in relation to the Incentives. Any additional rule must conform to the basic principles of the Plan.

4.8 **Indemnification**

The Company must indemnify, and keep indemnified, to the full extent permitted by law, the Trustee and each person who is or has been a director or alternate director of the Company against all proceedings, actions, claims, demands, losses, liabilities, damages, costs and expenses which may be made, brought against, suffered or incurred by the person arising directly or indirectly out of or in connection with the administration of the Plan (other than a liability or claim arising out of the Trustee or director's negligence, dishonesty, fraud or the Trustee wilfully and knowingly being a party to a breach of trust).

5 **Amendments of the Plan Rules**

5.1 **Board may amend**

Subject to the provisions set out in the remainder of this Rule 5, the Board may at any time by written instrument, amend all or any of the provisions of the Plan, including this Rule 5.

5.2 **Compliance with applicable laws and regulations**

Despite any other provisions of these Plan Rules, no Incentives may be offered or granted, and no Shares may be issued or transferred upon the exercise or vesting of the Incentives, if to do so would contravene the Corporations Act, ASX Listing Rules or any other applicable law or regulation.

5.3 **Restriction on the size of the Plan**

The Board must not issue an Invitation, grant any Incentives or issue any Shares on exercise or vesting of Incentives, or cause the Trustee to subscribe for Shares, if to do so would exceed the maximum permitted under the ASIC Instrument or any other revised or replacement instrument that allows the Company to grant the Incentives and issue Shares on exercise or vesting of Incentives without having issued a disclosure document (as that term is defined under Chapter 6D of the Corporations Act).

5.4 **Limitation on amendments**

The Board must not make any amendment to these Plan Rules (including to this Rule 5.4), or to any terms or condition relating to any Incentives granted under the Plan, which would have the effect of materially reducing or adversely affecting the rights of a Participant in respect of the Incentives or Shares already acquired by or granted to them before the date of the amendment.

This Rule 5.4 does not apply to any amendment made primarily for the purpose of:

- (1) **(comply with laws)** complying with present or future State or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or similar plans;
- (2) **(corrections)** correcting any manifest error; or
- (3) **(tax implications)** addressing possible adverse tax implications in respect of these Plan Rules arising from, among other things:
 - (a) rulings from the Commissioner of Taxation;
 - (b) changes to tax legislation (including an official announcement by the Commonwealth of Australia); or

- (c) changes in the interpretation of tax legislation by a court or tribunal of competent jurisdiction; or
- (4) (**other compliance**) complying with the Corporations Act, ASX Listing Rules or the Constitution.

Any amendment made under the above provisions may be given retrospective effect as specified in the written instrument by which the amendment is made.

6 Dealings with Incentives

6.1 Prohibition on transfer or other dealings

- (1) Unless otherwise stated on the terms of the Invitation or the Board determines otherwise in its absolute discretion, a Participant must not transfer, assign, dispose of, grant any Security Interest over or otherwise deal with any Incentive or any interest therein, unless the dealing:
 - (a) is with the express written consent of the Board; or
 - (b) occurs by force of law on death or legal incapacity to the Participant's legal personal representative.
- (2) The Incentive lapses immediately on the purported transfer, assignment, disposal, grant of Security Interest or other dealing prohibited by sub-paragraph (1) above.

6.2 Prohibition on hedging

A Participant may not enter into any arrangement for the purpose of hedging, or otherwise affecting their economic exposure to their Incentives or Shares to be issued or transferred on the exercise or vesting of such Incentives.

7 Register of Incentives

The Incentives granted to the Participants under the Plan will be registered in the appropriate register of the Company.

8 Loan

The Board may in its sole and absolute discretion, and subject always to all applicable laws, when the Company makes an Invitation to an Eligible Participant under the Plan, also offer the Eligible Participant a non-recourse loan to pay for any amounts payable by the Participant on grant or exercise of the Incentive.

9 Trust

9.1 Trust may be constituted

The Company may constitute a Trust and arrange for the Trustee to subscribe for or purchase Shares to be held on trust for a class of discretionary beneficiaries (including future Participants) in accordance with these Plan Rules and the relevant trust deed.

9.2 Trustee

- (1) The Trustee of the Trust may either be:

- (a) subject to compliance with the Corporations Act, a related body corporate of the Company; or
 - (b) a third-party approved by the Board who provides professional trustee services.
- (2) The Board may by resolution appoint a new Trustee from time to time.
 - (3) On a change of Trustee, the retiring Trustee must promptly and expeditiously execute all transfers, deeds or other documents necessary to transfer all money and property held under the terms of these rules into the name of the new Trustee.
 - (4) Subject to compliance with the Listing Rules and the Corporations Act and without prejudice to the powers vested in the Trustee by these Plan Rules, the Trust deed or otherwise, the Trustee has the power generally to do all acts and things as the Trustee may consider necessary or expedient for the administration, maintenance and preservation of the Plan and in performance of its obligations under these Rules.
 - (5) The Trustee is not entitled to receive from the Plan any commission or other remuneration in respect of its office, but the Company may if it thinks fit pay to the Trustee any remuneration it thinks fit from its own resources.
 - (6) The Trustee must not to use Trust property as security.

9.3 Terms of the Trust

The terms of the Trust may provide for the following:

- (1) **(acquisition of Shares)** payment from time to time by the Company to the Trustee of amounts determined by the Company to fund the Plan, including acquisition of Shares or other securities of the Company for the purposes of the Plan. The Trustee may use such amounts received from the Company to acquire Shares for the benefit of the Eligible Participants and must not repay any amount received as contributions for the acquisition of Shares;
- (2) **(dividends and voting)** the treatment of dividends and distributions received by the Trustee in respect of Shares held by the Trustee, and arrangements for voting of Shares held by the Trustee;
- (3) **(reserve account)** the maintenance by the Trustee of a reserve account for the general purposes of the Plan, including the Trustee crediting to the reserve account any dividends received by the Trustee in respect of Shares that stand to the credit of the reserve account; and
- (4) **(any other matter)** any other matter that the Company considers necessary or desirable to ensure that the Trust complies with all applicable laws and regulations.

9.4 Shares held for particular Participants

- (1) The Company may cause the Trustee to hold Shares on behalf of a particular Participant.
- (2) The Trustee must ensure that, in respect of each Share held on behalf of a particular Participant:
 - (a) the Share is registered in the name of the Trustee (or its nominee);

- (b) the Share is allocated to the account of the Participant which must be identified in the written financial records as being held on account of that Participant; and
- (c) subject to the transfer restrictions, the Participant possesses substantially the same rights in respect of the Share as if they were the legal owner of the Share, including the right to:
 - (i) direct the Trustee how the voting rights attaching to the Share shall be exercised, either generally or in any particular case; and
 - (ii) subject to the Plan Rules, receive the income deriving from the Share, including dividends declared in respect of the Share.

9.5 **Quotation**

The Company must apply to ASX for official quotation of any Shares issued to the Trustee.

9.6 **Notifications**

The Company must ensure that each Participant is notified in writing when Shares are acquired and registered in the name of the Trustee for the benefit of that Participant and allocated to that Participant's account.

9.7 **Written records**

The Trustee must ensure that proper written financial records are maintained in respect of the activities of the Trust and cause those records to be audited annually and made available for inspection by any Participant whose Shares are being held by the Trustee on their behalf.

9.8 **No fees or levy**

- (1) The Trustee must not levy any fees or charges for operating and administering the Trust, either payable directly by the Participants or out of the assets of the Trust which are being held for the benefit of one or more Participants.
- (2) For the avoidance of doubt, the Company may pay the Trustee from time to time certain fees and charges for operating and administering the Trust.

9.9 **Termination of the Trust**

The Trust terminates and is to be wound up on the occurrence of any of the following events:

- (1) if the Plan is terminated;
- (2) if the Board determines that the Trust is to be wound up; or
- (3) should the Trust be at any time subject to the rule of law against perpetuity, on the later of:
 - (a) the date on which the Trust becomes subject to the rule of law against perpetuity; and
 - (b) the 80th anniversary of the date of these rules.

10 Termination

The Plan terminates and is to be wound up (as provided below) on the occurrence of any of the following events:

- (1) if an order is made or an effective resolution is passed for the winding up of the Company other than for the purpose of amalgamation or reconstruction, immediately prior to the implementation of the winding up; and
- (2) if the Board determines that the Plan is to be wound up.

11 Miscellaneous provision

11.1 Duties and taxes

The Company:

- (1) is not responsible for any duties, taxes or other government levy or impost which are or may become payable on:
 - (a) the acquisition and issue of any Incentives;
 - (b) the acquisition and issue of any Shares on the exercise or vesting of the Incentives; or
 - (c) acquisition, transfer or any other dealings with the Shares; and
- (2) may make any withholding or payment which it is required by law to make in connection with the Plan or the grant of Incentives or issue of Shares; and
- (3) when transferring or issuing Shares to a Participant under the Plan, may require the Participant to provide the Company or the Trustee (as applicable) with an amount of money which the Board estimates is necessary to meet the Participant's liability (if any) to pay stamp duty or other taxes in respect of the transfer. Where the Company is provided with funds for that purpose, it must apply the funds in payment of the stamp duty or other tax, arrange for registration of the transfer on the Participant's behalf and return any excess funds to the Participant.

11.2 Personal information

By participating in the Plan, a Participant consents to the holding and processing of personal data provided by the Participant to the Company for all purposes relating to the operation of the Plan. These include:

- (1) administering and maintaining Participant records;
- (2) where applicable, providing information to the Trustee, registrars, brokers or third party administrators of the Plan; and
- (3) providing information to future purchasers of the Company or the business in which the Participant works.

11.3 Terms of employment

- (1) Nothing in these Plan Rules:

- (a) confers on any person any right or expectation to become a Participant, or the right to be invited to apply for or receive any Incentives;
 - (b) affects the rights and obligations of a Participant as an employee of a Group Entity;
 - (c) forms part of any contract of service, engagement or employment between a Participant and a Group Entity; or
 - (d) may be used to increase damages in any action brought against a Group Entity in respect of any termination of employment.
- (2) The rights and obligations of any Participant under the terms of his or her employment or directorship with the Company are not affected by his or her participation in the Plan.

11.4 **No right to compensation**

No Participant has any right to compensation or damages as a result of the termination of his or her office for any reason, so far as those rights arise or may arise from the Participant ceasing to have rights under the Plan as a result of the termination.

11.5 **Expenses**

Unless otherwise determined by the Board in its absolute discretion, the Company is not responsible for any duties, taxes, brokerage or incidental expenses which may become payable in connection with the issue, or transfer, of Shares or any other dealings with the Incentives in accordance with the Plan.

11.6 **Notices**

A notice or other communication under or concerning the Plan is validly given:

- (1) by the Company or Trustee to a Participant, if delivered personally to the addressee or sent by prepaid post to the Participant's last known residential address, or sent to the Participant by facsimile or email at the Participant's place of work; and
- (2) by a Participant to the Company or Trustee if delivered or sent by prepaid post addressed to the company secretary at the Company's or Trustee's registered office (or any other address the Board specifies).

A notice or other communication sent by post will be treated as received on the Business Day after it was posted.

11.7 **Rounding**

Unless expressly provided for in these Plan Rules, any calculation of a number of Incentives or Shares under the Plan is to be rounded down to the nearest whole number.

11.8 **Regulatory relief**

Notwithstanding any other provisions of the Plan, every covenant or other provision set out in an exemption or modification granted from time to time by a Regulator in respect of the Plan or which applies to the Plan pursuant to its power to exempt and modify any law 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 to be contained in the Plan is inconsistent with any other provision in the Plan, the deemed covenant or other provision will prevail.

11.9 Governing law

- (1) The Plan is governed by the laws of Victoria.
- (2) Each Participant submits to the jurisdiction of the courts of that State and of any court that may hear appeals from any of those courts, for any proceedings in connection with this document.

11.10 Tax Concessions

It is intended that the grant of Incentives is a scheme to which Subdivision 83A-C of the Tax Act applies (subject to the conditions in that Act).

SCHEDULE 1- PERFORMANCE RIGHTS

1 Invitation to apply for Performance Rights

Subject to these Plan Rules, the Corporations Act and the Listing Rules, an Invitation to an Eligible Participant to apply for Performance Rights may be made on such terms and conditions as the Board decides from time to time, including as to:

- (1) the number of Performance Rights for which the Eligible Participant may apply;
- (2) the Vesting Period;
- (3) any Vesting Conditions; and
- (4) any other supplementary conditions.

2 Terms of the Performance Rights

Prior to vesting, the Participant does not have any interest (legal, equitable or otherwise) to any Shares the subject of the Performance Rights other than those expressly set out in these Plan Rules and accordingly each Participant does not have and will not be entitled to receive the rights, benefits and entitlements accruing on any Shares the subject of the Performance Rights, including without limitation:

- (1) rights to receive any dividend or other distributions in respect of the Shares;
- (2) rights to participate in a Rights Issue; and
- (3) rights to vote the Shares at a general meeting of the Company.

3 Grant of Performance Rights

3.1 Company to grant Performance Rights

On receipt of a completed Application Form for the Performance Rights, the Company will grant the relevant number of Performance Rights applied for by the Participant as set out in the Application Form, subject to the terms and conditions set out in the Invitation and these Plan Rules.

3.2 Statement of Performance Rights

Following the grant of the Performance Rights under paragraph 3.1, the Company will issue to the Participant a statement that records the relevant details of the grant, including:

- (1) the number of Performance Rights granted;
- (2) the Grant Date;
- (3) the Vesting Period and Vesting Conditions;
- (4) any other key terms and conditions are set out in the Invitation.

4 Vesting

4.1 Vesting Notice

As soon as practicable after the end of the Vesting Period, the Board will give a Vesting Notice to the Participant which will include:

- (1) if applicable, whether the Performance Rights will be settled by issue of Shares or payment of cash consideration;
- (2) whether the Vesting Conditions have been satisfied or waived;
- (3) the number of Shares or the amount of cash consideration (as applicable) that the Participant is entitled to receive on vesting;
- (4) the vesting date for the Performance Rights; and
- (5) if the Board so determines, any terms and conditions applicable to the Shares issued or transferred on vesting (if applicable).

4.2 Vesting

On vesting, each Performance Right will entitle the Participant to receive one Share.

4.3 Share or cash settlement

If expressly permitted on the Invitation, on vesting of the Performance Right the Board may in its absolute discretion elect to either:

- (1) **(share settlement)** issue or cause to be transferred the Share(s) to the Participant (whether directly or to the Trustee to be held on behalf of the Participant); or
- (2) **(cash settlement)** make cash payment to the Participant equal to the Market Value of the Share(s) by bank cheque or other forms of payment as agreed between the Company and Participant from time to time.

4.4 Quotation

- (1) The Company will not apply for official quotation of any Performance Rights granted under the Plan.
- (2) Unless paragraph 4.3(2) applies, within the time required by the Listing Rules after the vesting date, the Company must:
 - (a) apply to the ASX for quotation of the Shares issued on vesting of the Performance Rights if other Shares of the Company are officially quoted on ASX at the time; and
 - (b) ensure that all Shares issued on vesting of the Performance Rights will rank *pari passu* in all respects with all other Shares for the time being on issue, except in respect of transfer restrictions set out in the Invitation (if any).

4.5 Unvested Performance Rights

Unless the Board determines otherwise in its absolute discretion, any Performance Rights not vested during the Vesting Period will automatically lapse and the Participant will automatically forfeit his or her interest in those Performance Rights.

5 Adjustments

5.1 Adjustment on changes to capital structure

Subject to all applicable laws and the ASX Listing Rules, if there are any changes to the capital of the Company, including a Rights Issue or other capitalisation, bonus issue, subdivision, consolidation, reduction of capital, demerger (in whatever form) or other distribution in specie, the Board may make such adjustments as it considers appropriate to one or more of the following:

- (1) the number of Shares that may be acquired by a Participant on the vesting of a Performance Right; and/or
- (2) the terms of the Vesting Conditions.

5.2 Cumulative adjustments

Each adjustment under this paragraph 5 must be made for every Performance Right every time the relevant rule applies while a Participant holds a Performance Right.

5.3 Rounding

Until a Performance Right vests, all calculations adjusting the number of Shares must be carried out to include all fractions, but when the Performance Right vests the number of Shares to be issued to the Participant is rounded down to the next lower whole number.

5.4 ASX Listing Rules

The terms of a Performance Right (including the terms set out in this Schedule) may be changed by the Board to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

5.5 Notice of adjustment

The Company must promptly give written notice to Participants after making any adjustments under paragraph 5 of this Schedule.

6 Transfer restrictions after vesting

If the terms of the Invitation provide that the Shares acquired by the Participant on vesting of the Performance Right will be subject to further transfer restrictions for a period of time (**Transfer Restriction Period**), then the following provisions will apply to those Shares (**Restricted Shares**):

6.1 Transfer restrictions

- (1) During the Transfer Restriction Period, the Participant may not transfer, assign, dispose of, grant any Security Interest over or otherwise deal with any Restricted Shares or any interests therein.
- (2) The Company may at its election enforce the transfer restrictions, and the Participant must agree to such arrangements, by doing one or a combination of the following:
 - (a) (**Trust**) the Restricted Shares may be issued or transferred to the Trustee, or the Company may cause the Trustee to acquire the Restricted Shares,

to be held on trust for the Participant in its vested account, and will not be released to the Participant until the end of the Transfer Restriction Period;

- (b) **(ASX Holding Lock)** place the Restricted Shares in an ASX Holding Lock administered by the Company's share registry until the end of the Transfer Restriction Period; or
- (c) **(others)** any other arrangements or mechanisms reasonably required by the Company or the Trustee to give effect to the restrictions set out in this paragraph 6.1.

6.2 **Rights and entitlements to the Restricted Shares**

- (1) Subject to the transfer and dealing restrictions set out in paragraph 6.1 and the trust deed (where applicable), the Participant will be entitled to receive all rights, benefits and entitlements accruing on the Restricted Shares, including without limitation:
 - (a) rights to receive any dividend or other distributions in respect of the Restricted Shares;
 - (b) rights to participate in a Rights Issue;
 - (c) rights to vote the Restricted Shares at a general meeting of the Company,as if the Participant is the legal and beneficial owner of those Restricted Shares during the Transfer Restriction Period.
- (2) If the Restricted Shares are held in the Trust, the Trustee may determine the most practical means for the rights, benefits or entitlements to be realised by the Participant.

6.3 **Quotation**

The Company must apply to the ASX for quotation of any Restricted Shares issued if other Shares of the Company are officially quoted on ASX at the time.

6.4 **Forfeiture**

If a Restricted Share is required to be forfeited by the Participant in accordance with the terms of the Plan Rules (including in circumstances described in paragraph 7 of this Schedule), then the Participant must:

- (1) to the extent the Restricted Share is held by the Trustee, direct the Trustee to transfer the Restricted Share to the Trust;
- (2) transfer or agree to a buyback of the Restricted Share on terms as required by the Board in its absolute discretion,

and the Participant will not be entitled to receive any consideration or only a nominal consideration of \$1.00 for each Restricted Share from the disposal.

6.5 **Power of attorney**

The Participant irrevocably appoints the Company and each of its directors and the company secretary severally, as the Participant's attorney and agent, to execute any document or do any other act necessary, expedient or incidental to give full effect to

paragraph 6.4, including the execution of a proper instrument of transfer of the Participant's forfeited securities to the Trustee, the Company or the relevant acquirer.

6.6 Expiry of the Transfer Restriction Period

Upon the expiry of the Transfer Restriction Period, the Company and/or the Trustee will take all actions necessary to ensure that the Participant can deal with the Restricted Shares in the manner as the Participant directs.

7 Leaver provisions

7.1 Resignation

Where a Participant holding a Performance Right voluntarily resigns from the employment of the Group and at the time of resignation the Performance Right has not yet satisfied the Vesting Conditions, that Performance Right will lapse and be forfeited immediately on the date of the voluntary resignation.

7.2 Dismissal for cause and commissioning of offence (bad leaver)

Unless otherwise stated on the terms of the Invitation or determined by the Board in its absolute discretion, a Performance Right held by the Participant will lapse and be forfeited immediately on the earlier of:

- (1) **(dismissal for cause)** the date on which the Participant is no longer employed by any Group Entity by reason of the relevant Group Entity being entitled to terminate the employment of the Participant due to the Participant:
 - (a) committing a serious breach of the Participant's employment agreement;
 - (b) engaging in any serious misconduct;
 - (c) grossly failing to discharge the Participant's duties or responsibilities;
 - (d) engaging in any other conduct (either inside or outside of the workplace) which is likely to affect adversely the reputation of a Group Entity;
 - (e) committing any act or engaging or failing to engage in any conduct expressly referred to in the Participant's employment contract which would entitle a Group Entity to terminate the Participant's employment with minimum notice required at law;
 - (f) committing any other act which at common law would entitle a Group Entity to terminate the Participant's employment without notice or payment in lieu of notice; or
 - (g) becoming bankrupt or making an arrangement or composition with creditors, or
- (2) **(fraud or criminal offence)** a determination of the Board that the Performance Right should lapse and be forfeited because the Participant, in the opinion of the Board:
 - (a) has committed (or it is evident the Participant intends to commit), any act (whether by omission or commission) which amounts or would amount to any of dishonesty, fraud, wilful misconduct, wilful breach of duty, serious and wilful negligence or incompetence in the performance of the Participant's duties; or

- (b) has been convicted of a criminal offence (other than a minor motor traffic offence or other trivial offence which does not impact on the Participant's good fame and character or ability to perform his/her duties) or is guilty of any other wilful or recklessly indifferent conduct which, in the reasonable opinion of the Board, may injure or tend to injure the reputation and/or the business or operations of a Group Entity; or
- (3) (**purported dealing**) in the circumstance referred to in Rule 6.

7.3 **Good leaver**

- (1) Unless otherwise stated on the terms of the Invitation or determined by the Board in its absolute discretion, if the Participant ceases to be employed by any Group Entity by reason of:
 - (a) Retirement or Redundancy;
 - (b) death;
 - (c) serious injury, disability or illness that prohibits continued employment;
 - (d) total and permanent disablement; or
 - (e) termination by the Group Entity in circumstance(s) other than those set out in paragraph 7.2 of this Schedule,

then in respect of any Performance Rights that have not yet satisfied the Vesting Conditions at the time of the Participant ceasing to be employed by any Group Member, the following number of Performance Rights will immediately vest:

$$A = B \times \frac{C}{D}$$

Where:

A means the number of Performance Rights which will be immediately vest on or prior to cessation of employment

B means the number of Performance Rights held by the Participant

C means the number of days that the Participant was employed within the Group during the relevant Vesting Period

D means the total number of days in the relevant Vesting Period

- (2) The Board must provide written notice to the Participant of the number of Performance Rights that will be vested under this paragraph 7.3 prior to their cessation of employment (**LTIP Retention Notice**).
- (3) Any unvested Performance Rights that are not stated to be retained by the Participant after their cessation of employment as set out in the LTIP Retention Notice will automatically be forfeited on the Participant's cessation of employment.

7.4 **Discretion to determine that the Performance Rights are not forfeited**

Notwithstanding paragraphs 7.1 to 7.3 (inclusive), the Board may in its absolute discretion (on any conditions which it thinks fit) decide that some or all of the Participant's

Performance Rights will not lapse or be forfeited at that time, but will be forfeited at the time and subject to the conditions it may specify by notice to the Participant.

8 Change of Control Event

8.1 Board discretion on a Change of Control Event

Upon a Change of Control Event occurring, the Board may give written notice to each Participant to:

- (1) vest some or all of the Participant's Performance Rights, as if all Vesting Conditions (if any) in connection with the Performance Rights have been satisfied; or
- (2) lapse or cancel some or all of the Participant's Performance Rights where the Board determines in its absolute discretion that a term of the Change of Control Event is that holders of these Performance Rights will participate in an acceptable alternative long-term incentive plan.

8.2 Vesting prior to Change of Control Event

Notwithstanding paragraph 8.1, if at any time:

- (1) a Takeover Bid to acquire at least 50% of the Shares on issue is announced, and the offers remain open for acceptance;
- (2) a meeting to consider a Scheme of Arrangement which may result in any person (together with its associate) acquiring a relevant interest in at least 50% of the Shares on issue immediately after the scheme meeting is convened by a court;
- (3) the Company passes a resolution for voluntary winding up or an order is made for the compulsory winding up of the Company; or
- (4) in respect of any other event or transaction for which a person (together with its associates) may acquire a relevant interest in at least 50% of the Shares on issue, the Company enters into a binding agreement in respect of that event or transaction,

the Board may in its absolute discretion give written notice to each Participant stating that any or all of the Participant's Performance Rights as determined by the Board have been vested and, if applicable, become exercisable.

8.3 Transfer restrictions

Upon a Change of Control Event occurring or if the Board makes a determination under paragraph 7.2, Shares issued on vesting of the Performance Rights will not be subject to any transfer restrictions.

8.4 Unvested Performance Rights

Any Performance Rights held by a Participant which the Board has not accelerated so that they are vested pursuant to paragraphs 8.1 or 8.2 will automatically lapse on the occurrence of a Change of Control Event.

SCHEDULE 2 - OPTIONS

1 Invitation to apply for Options

Subject to these Plan Rules, the Corporations Act and the Listing Rules, an Invitation to an Eligible Participant to apply for Options may be made on such terms and conditions as the Board decides from time to time, including as to:

- (1) the number of Options for which the Eligible Participant may apply;
- (2) the Exercise Price;
- (3) the Vesting Period;
- (4) any Vesting Conditions; and
- (5) any other supplementary conditions.

2 Terms of the Options

Prior to vesting, the Participant does not have any interest (legal, equitable or otherwise) to any Shares the subject of the Options other than those expressly set out in these Plan Rules and accordingly each Participant does not have and will not be entitled to receive the rights, benefits and entitlements accruing on any Shares the subject of the Options, including without limitation:

- (1) rights to receive any dividend or other distributions in respect of the Shares;
- (2) rights to participate in a Rights Issue; and
- (3) rights to vote the Shares at a general meeting of the Company.

3 Grant of Options

3.1 Company to grant Options

On receipt of a completed Application Form for the Options, the Company will grant the relevant number of Options applied for by the Participant as set out in the Application Form, subject to the terms and conditions set out in the Invitation and these Plan Rules.

3.2 Statement of Options

Following the grant of the Options under paragraph 3.1, the Company will issue to the Participant a statement that records the relevant details of the grant, including:

- (1) the number of Options granted;
- (2) the Grant Date;
- (3) the Exercise Price;
- (4) the Vesting Period and Vesting Conditions;
- (5) any other key terms and conditions are set out in the Invitation.

4 Vesting

4.1 Vesting Notice

As soon as practicable after the end of the Vesting Period, the Board will give a Vesting Notice to the Participant which will include:

- (1) whether the Vesting Conditions have been satisfied or waived;
- (2) the number of Shares that the Participant is entitled to receive upon payment of the Exercise Price or, if applicable, the cash consideration that the Participant is entitled to receive on cancellation of their Options;
- (3) the vesting date for the Options; and
- (4) if the Board so determines, any terms and conditions applicable to the Shares issued or transferred on vesting (if applicable).

4.2 Vesting

On vesting, each Option will entitle the Participant to receive one Share upon payment of the Exercise Price.

4.3 Share or cash settlement

If expressly permitted on the Invitation, on vesting of the Options the Board may in its absolute discretion elect to either:

- (1) **(share settlement)** issue or cause to be transferred the Share(s) to the Participant (whether directly or to the Trustee to be held on behalf of the Participant) upon payment of the Exercise Price; or
- (2) **(cash settlement)** make cash payment to the Participant equal to the difference between the Exercise Price and the Market Value of the Share(s) by bank cheque or other forms of payment as agreed between the Company and Participant from time to time.

4.4 Quotation

- (1) The Company will not apply for official quotation of any Options granted under the Plan.
- (2) Unless paragraph 4.3(2) applies, within the time required by the Listing Rules after the vesting date, the Company must:
 - (a) apply to the ASX for quotation of the Shares issued on vesting of the Options if other Shares of the Company are officially quoted on ASX at the time; and
 - (b) ensure that all Shares issued on vesting of the Options will rank *pari passu* in all respects with all other Shares for the time being on issue, except in respect of transfer restrictions set out in the Invitation (if any).

4.5 Unvested Options

Unless the Board determines otherwise in its absolute discretion, any Options not vested during the Vesting Period will automatically lapse and the Participant will automatically forfeit his or her interest in those Options.

5 Adjustments

5.1 Adjustment on changes to capital structure

Subject to all applicable laws and the ASX Listing Rules, if there are any changes to the capital of the Company, including a Rights Issue or other capitalisation, bonus issue, subdivision, consolidation, reduction of capital, demerger (in whatever form) or other distribution in specie, the Board may make such adjustments as it considers appropriate to one or more of the following:

- (1) the number of Shares that may be acquired by a Participant on the vesting of an Option; and/or
- (2) the terms of the Vesting Conditions.

5.2 Cumulative adjustments

Each adjustment under this paragraph 5 must be made for every Option every time the relevant rule applies while a Participant holds an Option.

5.3 Rounding

Until an Option vests, all calculations adjusting the number of Shares must be carried out to include all fractions, but when the Option vests the number of Shares to be issued to the Participant is rounded down to the next lower whole number.

5.4 ASX Listing Rules

The terms of an Option (including the terms set out in this Schedule) may be changed by the Board to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

5.5 Notice of adjustment

The Company must promptly give written notice to Participants after making any adjustments under paragraph 5 of this Schedule.

6 Transfer restrictions after vesting

If the terms of the Invitation provide that the Shares acquired by the Participant on exercise of the Option will be subject to further transfer restrictions for a period of time (**Transfer Restriction Period**), then the following provisions will apply to those Shares (**Restricted Shares**):

6.1 Transfer restrictions

- (1) During the Transfer Restriction Period, the Participant may not transfer, assign, dispose of, grant any Security Interest over or otherwise deal with any Restricted Shares or any interests therein.
- (2) The Company may at its election enforce the transfer restrictions, and the Participant must agree to such arrangements, by doing one or a combination of the following:
 - (a) (**Trust**) the Restricted Shares may be issued or transferred to the Trustee, or the Company may cause the Trustee to acquire the Restricted Shares,

to be held on trust for the Participant in its vested account, and will not be released to the Participant until the end of the Transfer Restriction Period;

- (b) **(ASX Holding Lock)** place the Restricted Shares in an ASX Holding Lock administered by the Company's share registry until the end of the Transfer Restriction Period; or
- (c) **(others)** any other arrangements or mechanisms reasonably required by the Company or the Trustee to give effect to the restrictions set out in this paragraph 6.1.

6.2 **Rights and entitlements to the Restricted Shares**

- (1) Subject to the transfer and dealing restrictions set out in paragraph 6.1 and the trust deed (where applicable), the Participant will be entitled to receive all rights, benefits and entitlements accruing on the Restricted Shares, including without limitation:
 - (a) rights to receive any dividend or other distributions in respect of the Restricted Shares;
 - (b) rights to participate in a Rights Issue;
 - (c) rights to vote the Restricted Shares at a general meeting of the Company,as if the Participant is the legal and beneficial owner of those Restricted Shares during the Transfer Restriction Period.
- (2) If the Restricted Shares are held in the Trust, the Trustee may determine the most practical means for the rights, benefits or entitlements to be realised by the Participant.

6.3 **Quotation**

The Company must apply to the ASX for quotation of any Restricted Shares issued if other Shares of the Company are officially quoted on ASX at the time.

6.4 **Forfeiture**

If a Restricted Share is required to be forfeited by the Participant in accordance with the terms of the Plan Rules (including in circumstances described in paragraph 7 of this Schedule), then the Participant must:

- (1) to the extent the Restricted Share is held by the Trustee, direct the Trustee to transfer the Restricted Share to the Trust;
- (2) transfer or agree to a buyback of the Restricted Share on terms as required by the Board in its absolute discretion,

and the Participant will not be entitled to receive any consideration or only a nominal consideration of \$1.00 for each Restricted Share from the disposal.

6.5 **Power of attorney**

The Participant irrevocably appoints the Company and each of its directors and the company secretary severally, as the Participant's attorney and agent, to execute any document or do any other act necessary, expedient or incidental to give full effect to

paragraph 6.4, including the execution of a proper instrument of transfer of the Participant's forfeited securities to the Trustee, the Company or the relevant acquirer.

6.6 Expiry of the Transfer Restriction Period

Upon the expiry of the Transfer Restriction Period, the Company and/or the Trustee will take all actions necessary to ensure that the Participant can deal with the Restricted Shares in the manner as the Participant directs.

7 Leaver provisions

7.1 Resignation

Where a Participant holding an Option voluntarily resigns from the employment of the Group and at the time of resignation the Option has not yet satisfied the Vesting Conditions, that Option will lapse and be forfeited immediately on the date of the voluntary resignation.

7.2 Dismissal for cause and commissioning of offence (bad leaver)

Unless otherwise stated on the terms of the Invitation or determined by the Board in its absolute discretion, an Option held by the Participant will lapse and be forfeited immediately on the earlier of:

- (1) **(dismissal for cause)** the date on which the Participant is no longer employed by any Group Entity by reason of the relevant Group Entity being entitled to terminate the employment of the Participant due to the Participant:
 - (a) committing a serious breach of the Participant's employment agreement;
 - (b) engaging in any serious misconduct;
 - (c) grossly failing to discharge the Participant's duties or responsibilities;
 - (d) engaging in any other conduct (either inside or outside of the workplace) which is likely to affect adversely the reputation of a Group Entity;
 - (e) committing any act or engaging or failing to engage in any conduct expressly referred to in the Participant's employment contract which would entitle a Group Entity to terminate the Participant's employment with minimum notice required at law;
 - (f) committing any other act which at common law would entitle a Group Entity to terminate the Participant's employment without notice or payment in lieu of notice; or
 - (g) becoming bankrupt or making an arrangement or composition with creditors, or
- (2) **(fraud or criminal offence)** a determination of the Board that the Option should lapse and be forfeited because the Participant, in the opinion of the Board:
 - (a) has committed (or it is evident the Participant intends to commit), any act (whether by omission or commission) which amounts or would amount to any of dishonesty, fraud, wilful misconduct, wilful breach of duty, serious and wilful negligence or incompetence in the performance of the Participant's duties; or

- (b) has been convicted of a criminal offence (other than a minor motor traffic offence or other trivial offence which does not impact on the Participant's good fame and character or ability to perform his/her duties) or is guilty of any other wilful or recklessly indifferent conduct which, in the reasonable opinion of the Board, may injure or tend to injure the reputation and/or the business or operations of a Group Entity; or
- (3) **(purported dealing)** in the circumstance referred to in Rule 6.

7.3 Good leaver

- (1) Unless otherwise stated on the terms of the Invitation or determined by the Board in its absolute discretion, if the Participant ceases to be employed by any Group Entity by reason of:
 - (a) Retirement or Redundancy;
 - (b) death;
 - (c) serious injury, disability or illness that prohibits continued employment;
 - (d) total and permanent disablement; or
 - (e) termination by the Group Entity in circumstance(s) other than those set out in paragraph 7.2 of this Schedule,

then in respect of any Options that have not yet satisfied the Vesting Conditions at the time of the Participant ceasing to be employed by any Group Member, the following number of Options will immediately vest:

$$A = B \times \frac{C}{D}$$

Where:

A means the number of Options which will be immediately vest on or prior to cessation of employment

B means the number of Options held by the Participant

C means the number of days that the Participant was employed within the Group during the relevant Vesting Period

D means the total number of days in the relevant Vesting Period

- (2) The Board must provide written notice to the Participant of the number of Options that will be vested under this paragraph 7.3 prior to their cessation of employment (**LTIP Retention Notice**).
- (3) Any unvested Options that are not stated to be retained by the Participant after their cessation of employment as set out in the LTIP Retention Notice will automatically be forfeited on the Participant's cessation of employment.

7.4 Discretion to determine that the Options are not forfeited

Notwithstanding paragraphs 7.1 to 7.3 (inclusive), the Board may in its absolute discretion (on any conditions which it thinks fit) decide that some or all of the Participant's Options will

not lapse or be forfeited at that time, but will be forfeited at the time and subject to the conditions it may specify by notice to the Participant.

8 Change of Control Event

8.1 Board discretion on a Change of Control Event

Upon a Change of Control Event occurring, the Board may give written notice to each Participant to:

- (1) vest some or all of the Participant's Options, as if all Vesting Conditions (if any) in connection with the Options have been satisfied; or
- (2) lapse or cancel some or all of the Participant's Options where the Board determines in its absolute discretion that a term of the Change of Control Event is that holders of these Options will participate in an acceptable alternative long-term incentive plan.

8.2 Vesting prior to Change of Control Event

Notwithstanding paragraph 8.1, if at any time:

- (5) a Takeover Bid to acquire at least 50% of the Shares on issue is announced, and the offers remain open for acceptance;
- (6) a meeting to consider a Scheme of Arrangement which may result in any person (together with its associate) acquiring a relevant interest in at least 50% of the Shares on issue immediately after the scheme meeting is convened by a court;
- (7) the Company passes a resolution for voluntary winding up or an order is made for the compulsory winding up of the Company; or
- (8) in respect of any other event or transaction for which a person (together with its associates) may acquire a relevant interest in at least 50% of the Shares on issue, the Company enters into a binding agreement in respect of that event or transaction,

the Board may in its absolute discretion give written notice to each Participant stating that any or all of the Participant's Options as determined by the Board have been vested and, if applicable, become exercisable.

8.3 Transfer restrictions

Upon a Change of Control Event occurring or if the Board makes a determination under paragraph 7.2, Shares issued on vesting of the Options will not be subject to any transfer restrictions.

8.4 Unvested Options

Any Options held by a Participant which the Board has not accelerated so that they are vested pursuant to paragraphs 8.1 or 8.2 will automatically lapse on the occurrence of a Change of Control Event.