

## Option terms and conditions

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1. The Options shall be issued to Eligible Shareholders on the basis of one Option for every one Share.
2. The Options shall be issued for no cash consideration;
3. The exercise price of each Option is \$1.00 (**Exercise Price**);
4. The Options will expire on 28 April 2020 (**Expiry Date**) unless earlier exercised;
5. The Options are transferrable at any time in accordance with the Corporations Act, the Listing Rules, ASX Market Rules and ASTC Settlement Rules;
6. The Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with payment for the Exercise Price per Option to the Company at any time on or after the date of issue of the Options and on or before the Expiry Date. Payment may be made as directed by the Company from time to time, which may include by cheque, electronic funds transfer or other methods;
7. The number of Options that may be exercised at one time must be not less than 1,000, unless the Option holder holds less than 1,000 options in which case all options must be exercised at one time;
8. Upon the valid exercise of the Options and payment of the Exercise Price, the Company will issue fully paid ordinary shares ranking pari passu with the then issued ordinary shares within 10 business days of valid exercise and payment;
9. Option holders do not have any right to participate in new issues of securities in the Company made to shareholders generally. The Company will, where required pursuant to the ASX Listing Rules, provide Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the Options, in accordance with the requirements of the Listing Rules.
10. Option holders do not participate in any dividends unless the Options are exercised and the resultant shares of the Company are issued prior to the record date to determine entitlements to the dividend;
11. In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
  - (a) the number of Options, the Exercise Price of the Options, or both will be reorganised (as appropriate) in a manner consistent with the ASX Listing Rules as applicable at the time of reorganisation, but with the intention that such reorganisation will not result in any benefits being conferred on the holders of the Options which are not conferred on shareholders; and
  - (b) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reorganisation of capital, in all other respects the terms for the exercise of the Options will remain unchanged;

12. If there is a pro rata issue (except a bonus issue), the Exercise Price of an Option may be reduced according to the following formula:

$$O^n = O - \frac{E [P - (S + D)]}{N + 1}$$

Where:

- $O^n$  = the new exercise price of the Option;
- $O$  = the old exercise price of the Option;
- $E$  = the number of underlying securities into which one Option is exercisable;
- $P$  = the volume weighted average market price per security of the underlying securities during the 5 trading days ending on the day before the ex right date or the ex entitlements date;
- $S$  = the subscription price for a security under the pro rata issue;
- $D$  = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue); and
- $N$  = the number of securities with rights or entitlements that must be held to receive a right to one new security.
13. If there is a bonus issue to the holders of shares in the Company, the number of shares over which the Option is exercisable may be increased by the number of shares which the Option holder would have received if the Option had been exercised before the record date for the bonus issue;
14. The terms of the Options shall only be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Company approve of such a change. However, unless all necessary waivers of the ASX Listing Rules are obtained, the terms of the Options shall not be changed to reduce the Exercise Price, increase the number of Options or change any period for exercise of the Options;
15. The Company shall apply for listing of the Options on the ASX;
16. The Company shall apply for listing on the ASX of the resultant shares of the Company issued upon exercise of any Option; and
17. The Company is entitled to treat the registered holder of an Option as the absolute holder of that Option and is not bound to recognise any equitable or other claim to, or interest in, that Option on the part of any person other than the registered holder, except as ordered by a Court of competent jurisdiction or as required by statute.