



**Lode Resources Pty Ltd
(to be renamed Lode Resources Ltd)
ACN 637 512 415**

Employee Option Plan

Plan Rules

Adopted by the Board on 8 November 2020

Purpose

These are the Rules of the Company's Employee Option Plan (**Plan**). The purpose of the Plan is to provide Eligible Persons with an opportunity to acquire Options. By doing so, the Plan seeks to provide Eligible Persons with an opportunity to share in the growth in value of the Company and to encourage them to improve the longer-term performance of the Company and its returns to Shareholders. The Plan is also intended to assist the Company to attract and retain skilled and experienced employees and provide them with an incentive to have a greater involvement with and focus on the longer term goals of the Company. This Plan commences on the date the Board determines.

1 Definitions and Interpretation

1.1 Definitions

In these Rules, unless the context otherwise requires:

Acceptance Period has the meaning given to that term in Rule 3.2(h);

Amendment has the meaning given to that term in Rule 18.1;

Applicable Law means any one or more or all, as the context requires, of the following to the extent that they apply to the Company or this Plan:

- (a) the Corporations Act;
- (b) tax laws;
- (c) the Constitution;
- (d) any subordinate legislation, orders, rulings or other binding instruments passed or made by parliament, Australian Securities and Investments Commission or the Australian Taxation Office to clarify or expand paragraphs (a) and/or (b) of this definition;
- (e) any laws of foreign jurisdictions where Participants are resident; and
- (f) any other laws;

Application Form means the form the Board determines is to be used by an Eligible Person to apply for Options under the Plan;

Bad Leaver means:

- (a) a Participant who ceases employment or office or contractual relations with any Group Company otherwise than as a Good Leaver; or
- (b) a Participant who is a Nominee or legal representative of an Eligible Person (such Eligible Person being the **Nominating Eligible Person**) and whose Nominating Eligible Person ceases employment or office or contractual relations with any Group Company otherwise than as a Good Leaver;

Board means the board of directors of the Company or a committee appointed by the board of directors of the Company for the purposes of the Plan;

Certificate means, in relation to an Option, the certificate or statement (in a form approved by the Board) issued to the Holder which discloses the number of Options held by the Holder;

Close Relative means a person who is the spouse, parent, brother, sister or child of the Eligible Person;

Company means Lode Resources Pty Ltd ACN 637 512 415;

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

Control means:

- (a) in relation to a body corporate by a person:
 - (i) the person determines the composition of the board of directors of the body corporate;
 - (ii) the board of directors of the body corporate is accustomed to act in accordance with the instructions, directions or wishes of the person; or
 - (iii) the person holds or owns (alone or with its associates or related bodies corporate as those terms are defined in the Corporations Act):
 - (A) the majority of the issued shares of the body corporate;
 - (B) the majority of the issued shares of the ultimate holding company of the body corporate; or
 - (C) the majority of any securities or other rights granted by the company entitling holders to distributions based on the profits, earnings or net liquidation proceeds of the company;
- (b) in relation to a trust by a person:
 - (i) the person is the sole trustee of the trust;
 - (ii) the composition of the board of directors of any trustee company of the trust is determined by the person;
 - (iii) the board of directors of any trustee company of the trust is accustomed to act in accordance with the instructions, directions or wishes of the person; or
 - (iv) the person holds or owns (alone or with its associates or related bodies corporate as those terms are defined in the Corporations Act):
 - (A) the majority of the issued shares of any trustee company of the trust;
 - (B) the majority of the issued shares of the ultimate holding company of any trustee company of the trust; or
 - (C) the majority of the units, securities or other rights granted by the trust entitling holders to distributions from the trust; and
- (c) otherwise, has the same meaning as in section 50AA of the Corporations Act;

Corporations Act means the *Corporations Act 2001* (Cth);

Delegate means a person appointed by the Board to exercise its powers and discretions under the Rules;

Eligible Person means:

- (a) an employee of a Group Company;
- (b) an executive director, a non-executive director or a company secretary of a Group Company; or
- (c) a person who satisfied paragraph (a) or (b) of this definition during the 12 months immediately before the date of the Offer Letter issued to that person,

other than a person who has been given notice of dismissal for misconduct from his or her employment or office with the Group (or has given notice of resignation in order to avoid such dismissal); or

(d) a contractor or consultant who provides services to a Group Company (**contractor**);

Employee Incentive Scheme means any employee equity scheme extended to senior manager, other employee and/or directors of or a contractor to the Company and its Related Bodies Corporate or any other person nominated by the Company, and includes the Plan;

Exercise Price means the amount payable by a Participant to exercise an Option and acquire a Share as specified by the Board in the Offer Letter in relation to that Option;

Good Leaver means a Participant who ceases employment or office or contractual relations with any Group Company; or

(e) a Participant who is a Nominee or legal representative of an Eligible Person (such Eligible Person being the **Nominating Eligible Person**) and whose Nominating Eligible Person ceases employment or office or contractual relations with any Group Company,

as a result of:

(f) death;

(g) permanent incapacity of the Participant to such an extent as to render the Participant unlikely ever to engage in any occupation for which she or he is reasonably qualified by education, training or experience as verified by an independent doctor appointed by the Board (if the Board so requires);

(h) Retirement of the Participant provided that Participant is at least 65 years of age or such earlier age as considered appropriate by the Board;

(i) mutual agreement between the Participant and its Group Company employer; or

(j) any other circumstance as determined by the Board;

Group means the Company and each Subsidiary of the Company and **Group Company** means any of them;

Holder means the holder of Options;

Holding Lock means a mechanism to prevent a Participant transferring or otherwise dealing with the Options or Shares issued on exercise of the Options;

Market Value means the market value of an Option (or Options, as applicable) or Share (or Shares, as applicable) as reasonably determined by the Company's accountant;

Nominee means in respect of an Eligible Person:

(a) a person who is a Close Relative of the Eligible Person;

(b) a body corporate trust or superannuation fund in which the Eligible Person or a Close Relative of the Eligible Person has, or any two or more of the Eligible Person and Close Relatives of the Eligible Person together have, a controlling interest (including any interest that gives Control); or

(c) such other person or entity approved by the Board in its absolute discretion;

Notice of Exercise Form means the form the Board determines is to be used by an Eligible Person to exercise Options under the Plan;

Offer means an offer to an Eligible Person to acquire Options in the Company and **Offer Letter** means the letter of offer to an Eligible Person inviting that person or his/her Nominee to accept the Offer;

Option means an option to subscribe for Share/s;

Participant means:

- (a) an Eligible Person (or his/her Nominee) who accepts an invitation to participate in the Plan, agrees to be bound by these Rules and whose application for Options in accordance with the invitation is accepted by the Board; or
- (b) the legal personal representative of any person referred to in (a) duly appointed on the death or legal incapacity of that person;

Participant Change of Control in relation to a Participant, occurs if directly or indirectly the person or persons who at a particular time have Control over the Participant, cease to have such Control or if another person or person's acquire Control of the Participant;

Performance Hurdles means conditions or events which must be satisfied before Options may be vested (which may include, without limitation, conditions relating to the profitability of the Company) and/or conditions which may require that the number of Options able to be vested be reduced, or that some or all the Options are forfeited or lapse in circumstances determined by the Board;

Plan means the Company's Employee Option Plan as amended from time to time and operated in accordance with these Rules;

Related Body Corporate has the meaning given to that term in the Corporations Act;

Relevant Shares has the meaning set out in clause 8.7(a);

Retirement means the permanent cessation by a Participant of all gainful employment;

Rules means the rules set out in this document, as amended from time to time;

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

Shareholder means a holder of a Share;

Subsidiary has the meaning given to that term in the Corporations Act;

Unvested Option means an Option that is not a Vested Option;

Vested Option means an Option in respect of which all Vesting Conditions have been satisfied or which otherwise becomes vested in accordance with these Rules;

Vesting Conditions means, in relation to an Option, the period of time, Performance Hurdles and other vesting conditions determined by the Board at the time of the offer of the Option which are required to be satisfied before the Option becomes a Vested Option; and

Voluntary Buy Back Completion Date has the meaning set out in clause 8.7(b)(vi).

1.2 Interpretation

In these Rules, unless the context otherwise requires:

- (a) a reference to:
 - (i) one gender includes the other;
 - (ii) the singular includes the plural and the plural includes the singular;

- (iii) a recital, rule, schedule or annexure is a reference to a rule of or recital, schedule or annexure to these Rules and references to these Rules include any recital, schedule or annexure;
 - (iv) any document or other instrument includes any variation or replacement of it and as it may be assigned or novated;
 - (v) a statute, ordinance, code or other law includes subordinate legislation (including regulations) and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
 - (vi) a person or entity includes an individual, a firm, a body corporate, a trust, an unincorporated association or an authority;
 - (vii) a person includes their legal personal representatives (including executors), administrators, successors, substitutes (including by way of novation) and permitted assigns;
 - (viii) a group of persons is a reference to any two or more of them taken together and to each of them individually;
 - (ix) an entity which has been reconstituted or merged means the body as reconstituted or merged, and to an entity which has ceased to exist where its functions have been substantially taken over by another body, means that other body;
 - (x) time is a reference to legal time in Sydney, New South Wales;
 - (xi) a reference to a day or a month means a calendar day or calendar month; and
 - (xii) money (including '\$', 'AUD' or 'dollars') is to Australian currency;
- (b) the meaning of any general language is not restricted by any accompanying example, and the words 'includes', 'including', 'such as', 'for example' or similar words are not words of limitation;
- (c) where an expression is defined, another part of speech or grammatical form of that expression has a corresponding meaning; and
- (d) if any provision of these Rules is invalid, unenforceable or otherwise ineffective, that invalidity, unenforceability or ineffectiveness does not affect the validity, enforceability, operation, construction or interpretation of any other provision of these Rules, with the intent that the invalid, unenforceable or ineffective provision will be read down or, if it is not capable of being read down, will be treated for all purposes as severable from these Rules.

2 Operation of the Plan

2.1 General

The Plan must be operated in accordance with these Rules.

2.2 Binding Rules

These Rules bind each Group Company, each Participant and each Holder.

2.3 Absolute discretion

Where these Rules provide for a determination, decision, declaration or approval of the Board or its Delegate, such determination, decision, declaration or approval may be made or given by the Board or its Delegate in its absolute discretion.

2.4 Powers to be exercised by Board

Any power or discretion which is conferred on the Board by these Rules may be exercised by the Board in the interests, or for the benefit, of the Company and the Board is not under any fiduciary or other obligation to any other person.

3 Invitation

3.1 Invitation to participate

Subject to these Rules, the Board or its Delegate may in its absolute discretion from time to time invite Eligible Persons to apply for Options under the Plan on the terms set out in these Rules and any other terms the Board considers appropriate. In selecting Eligible Persons to apply for Options, the Board or its Delegate will have regard to:

- (a) the position in the Group held or to be held by the Eligible Person;
- (b) the Eligible Person's length of service with the Group;
- (c) the contribution made by the Eligible Person to the Group;
- (d) the potential contribution to be made by the Eligible Person to the Group; and
- (e) any other matters which the Board or the Delegate considers relevant.

3.2 Application Form and Offer Letter

The Board must give to each Eligible Person who is invited to apply for Options under the Plan an Application Form together with an Offer Letter setting out the following information in relation to the Options:

- (a) the number of Options for which the Eligible Person may apply;
- (b) the consideration (if any) for the grant of the Options;
- (c) the Exercise Price of the Options or the method of determining such Exercise Price;
- (d) the latest time at which the Options may be exercised;
- (e) any applicable Vesting Conditions (including, without limitation, the period or periods during which the Options or any of them may be exercised and any applicable Performance Hurdles);
- (f) the conditions of any Holding Lock which applies to:
 - (i) the Options; and/or
 - (ii) the Shares issued on exercise of the Options;
- (g) any other terms and conditions relating to the invitation or the Options, which in the opinion of the Board, are fair and reasonable and not inconsistent with these Rules;
- (h) the time within which the invitation may be accepted by the Eligible Person (**Acceptance Period**);
- (i) in respect of the initial application made by an Eligible Person, a summary of, or a copy of, these Rules; and
- (j) any other information or documents that the Applicable Law require the Company to give to the Eligible Person.

3.3 Participant bound by Application Form, Offer Letter, Rules and Constitution

By completing and returning the Application Form within the Acceptance Period, a Participant applies for Options under the Plan on the terms of the Offer Letter and agrees to be bound by the terms of the Application Form, the Offer Letter, these Rules and the Constitution.

3.4 Acceptance by Nominee of Eligible Person

- (a) An Eligible Person may by notice to the Board nominate a Nominee in whose favour the Eligible Person wishes to renounce an invitation received by, or any future invitation that may be made to, that Eligible Person.
- (b) The Board may, in its discretion, elect not to allow a renunciation of an invitation in favour of a Nominee.
- (c) If the renunciation in favour of a Nominee is permitted by the Board and the Eligible Person wishes to proceed with the renunciation in favour of its Nominee, then:
 - (i) the Eligible Person will procure that its Nominee accepts the invitation made to that Eligible Person;
 - (ii) both the Eligible Person and the Nominee agree to be bound by these Rules as a Participant; and
 - (iii) the Eligible Person must procure that the Nominee complies with the terms of the Application Form, these Rules, the Constitution as applicable.

4 Grant of Options

4.1 Grant of Options

Subject to the satisfaction of any terms or conditions set out in the Offer Letter and the Application Form, and following receipt of a completed and signed Application Form and the acceptance by the Board of the Application Form, the Company will as soon as practicable after the end of the Acceptance Period:

- (a) issue to the Participant, on the terms of the Offer Letter, the number of Options applied for by the Participant in the Application Form; and
- (b) complete a register of Options in accordance with the Applicable Law.

4.2 No payment for Options

Unless otherwise determined by the Board, no payment is required for the grant of Options under the Plan.

4.3 Certificate

Subject to the Applicable Law, the Company may issue a Certificate to a Participant in respect of the Options granted to that Participant. The Company must comply with the Applicable Law with respect to the issue of the Certificate.

5 Restrictions on transfer

5.1 No transfer

- (a) Options may not be sold, transferred, mortgaged, charged or otherwise dealt with or encumbered without the prior written approval of the Board.

- (b) While an Option is subject to a Holding Lock, that Option may not be sold, transferred, mortgaged, charged or otherwise dealt with or encumbered without the prior written approval of the Board.

5.2 Prohibition on value schemes or arrangements

A Participant must not enter into a scheme or arrangement that protects the value of an Option granted under the Plan prior to the Option becoming a Vested Option.

6 Vesting of Options

6.1 Manner of vesting and exercise

- (a) The vesting of Options and the exercise of any Options granted under the Plan may only be effected in such form and manner as the Board prescribes.
- (b) Unless the Board determines otherwise, a Participant must provide the Company with a Notice of Exercise Form if the Participant has satisfied any relevant Vesting Conditions and wishes to exercise the Options.

6.2 Other permitted vesting

- (a) The Board may in its absolute discretion determine that an Option will become a Vested Option, whether or not any or all applicable Vesting Conditions have been satisfied.
- (b) The Board has the discretion to waive or accelerate Vesting Conditions in respect of a particular Holder.

6.3 Specific Vesting Conditions and exercise procedure for Options

- (a) Subject to Rule 6.2, an Option granted under the Plan may only be exercised if, at the time of exercise:
 - (i) the Option is a Vested Option;
 - (ii) the Option has not been forfeited or lapsed under Rule 8;
 - (iii) a Notice of Exercise Form has been completed; and
 - (iv) the Exercise Price (as adjusted under Rule 8.7, if applicable) has been paid.
- (b) The exercise of some Options does not affect the Holder's right to exercise other Options at a later time.
- (c) A Participant may exercise some or all of the Options they hold, but where the Participant exercises some of the Options they hold, they must exercise Options in minimum parcels of [50,000] or such other minimum parcel as may be prescribed by the Board from time to time and notified to the Participants in writing.
- (d) Following exercise of an Option, the Company must, within such time as the Board determines, issue to the person exercising the Option, that number of Shares in respect of which the Option has been exercised and credited as fully paid.
- (e) Unless the terms of issue of the Options provide otherwise, Shares issued on the exercise of Options will rank equally in all respects with all existing Shares from the date of allotment, including in relation to:
 - (i) voting rights; and
 - (ii) entitlements to participate in:

- (A) distributions and dividends; and
- (B) future rights issues and bonus issues,

where the record date for determining entitlements falls on or after the date of allotment.

6.4 Shareholders deed or agreement

A Share will only be issued to a Participant if the Participant undertakes and agrees to be bound by and subject to the terms of the Company's shareholders deed or agreement (if any) by executing and delivering to the Company a deed of accession in the form required by the Company.

7 Loans

The Board may determine in their absolute discretion to offer or procure a Group Company to offer loans to Participants in respect of payment of the Exercise Price on exercise of Options on such terms as agreed between the Company and the Participant.

8 Redemption, lapse and forfeiture

8.1 Options are redeemable

Subject to the Applicable Law, and unless otherwise provided in these Rules, any or all of the Options issued under this Plan may be redeemed for Market Value consideration at any time by the Board.

8.2 End of exercise period

Subject to Rules 8.3, 8.4 and 8.5, an Option automatically lapses as at the moment immediately after:

- (a) (if that Option is an Unvested Option) the latest time at which that Option may become a Vested Option, as specified by the Board in the Offer Letter; or
- (b) (if that Option is a Vested Option) the latest time at which that Option may be exercised, as specified by the Board in the Offer Letter.

8.3 Good Leaver

If a Participant is a Good Leaver, then:

- (a) on the date of cessation of employment, office or contract:
 - (i) all Unvested Options held by the Participant will be automatically forfeited and automatically lapse;
 - (ii) all Offer Letters which have not been accepted by the Participant are automatically revoked; and
- (b) the Participant may exercise all Vested Options within 30 days from the date of cessation of employment or office or contractual relations, after which those Vested Options will automatically lapse.

8.4 Bad Leaver If a Participant is a Bad Leaver, then on the date of cessation of employment, office or contract:

- (a) all Options held by the Participant will be automatically forfeited and automatically lapse;

- (b) all Offer Letters which have not been accepted by the Participant are automatically revoked; and

8.5 End of period otherwise determined by the Board

If the Board determines a further period, or reduces the period, in which the Options may be exercised, and such a revised period is more or less than the exercise period specified in the Offer Letter for those Options, then those Options will lapse at the end of that revised period.

8.6 Terms of Share transfer

The following terms shall apply to any Shares required to be transferred under Rules 8.3 or 8.4:

- (a) the completion of the transfer of Shares shall occur as soon as reasonably practicable following the exercise of the underlying Options; and
- (b) any consideration payable under Rules 8.3 or 8.4 shall be payable:
 - (i) in cash, bank cheque or telegraphic or other electronic means of transfer of cleared funds into a bank account nominated in advance by the payee; and
 - (ii) within 30 days from the date of transfer of the Shares,
unless otherwise determined by the Board.

8.7 Voluntary Buy Back of Shares

- (a) Where exceptional circumstances exist in respect of the Participant (for example, financial hardship), the Participant may give written notice to the Company to invite the Company to consider the buy back of some or all of the Participant's Shares which were acquired by them as a result of exercising Vested Options (**Relevant Shares**).
- (b) Within 30 days of receipt of the notice under clause 8.7(a), the Board may, subject to the provisions of the Applicable Law, in its absolute discretion, offer to buy back the Relevant Shares by issuing a notice containing the following details:
 - (i) the date of the notice;
 - (ii) the name of the Participant;
 - (iii) the price for the buy back which must be the Market Value of the Relevant Shares;
 - (iv) the number of Relevant Shares offered for buy back;
 - (v) details on how to accept this offer from the Company; and
 - (vi) if the offer is accepted, the date for completion of the buy back by the Company (**Voluntary Buy Back Completion Date**).
- (c) The Participant may accept the Board's offer under clause 8.7(b) in writing within 30 days of the date of the notice under clause 8.7(b). Any acceptances of the offer after this period will be void.
- (d) If approval of the Shareholders is required under the Applicable Law for the buy back, the agreement constituted by the Participant's acceptance of the Board's offer shall be subject to a condition that such Shareholder approval be obtained.
- (e) The Voluntary Buy Back Completion Date must be:
 - (i) if no shareholder approval is required for the buy back, a date between 14 and 28 days after the date of the Company's receipt of the Participant's acceptance of the offer under Clause 8.7(c); or

- (ii) if shareholder approval is required for the buy back, a date between 14 and 28 days after shareholder approval is obtained.
- (f) Completion of the buy back must take place on the Voluntary Buy Back Completion Date at 1.00pm at the Company's office, or at any other time and place that the Company and the Participant agree.

9 Capital reconstructions and new issues

9.1 Alterations to capital and reconstructions

Subject to the Applicable Law, if the Company makes any new issue of securities or alterations to its capital by way of a rights issue, bonus issue or other distribution of capital, reduction of capital or reconstruction of capital then the Board may make adjustments to the rights attaching to those Options (including, without limitation, to the number of Shares which may be acquired on exercise of the Options and the Exercise Price of an Option) on any basis it deems fit in its discretion.

9.2 New issues

Subject to the Applicable Law, unless the Board determines otherwise, a Holder is only entitled to participate (in respect of Options granted under the Plan) in a new issue of Shares to existing Shareholders of the Company if the Holder has validly exercised the Holder's Options and become a Shareholder prior to the relevant record date, and is then only entitled to participate in relation to Shares of which the Holder is the registered holder.

10 Powers of the Board

10.1 Powers of the Board

The Plan will be managed by the Board, which will have power to:

- (a) determine appropriate procedures and make regulations for the administration of the Plan consistent with these Rules;
- (b) resolve and bind the Company and Participants absolutely regarding any question of fact, interpretation, effect or application arising in connection with the Plan;
- (c) determine matters falling for determination under these Rules in its absolute discretion having regard to the interests of and for the benefit of the Company;
- (d) exercise the discretions conferred on it by these Rules or which may otherwise be required in relation to the Plan; and
- (e) delegate to any one or more persons (for such period and on such conditions as it may determine) the exercise of any of its powers or discretions arising under the Plan.

10.2 Suspension or termination of Plan

- (a) The Plan may be suspended or terminated at any time by resolution of the Board.
- (b) In the event of a suspension or termination, these Rules will continue to operate with respect to any Options issued under the Plan prior to that suspension or termination.

11 Contracts of Employment and Other Employment Rights

11.1 Rules not part of employment contract

- (a) This Plan does not form part of any contract of employment or services between a Group Company, or any Related Body Corporate of a Group Company, and any Eligible Person.
- (b) Nothing in these Rules confers on any Eligible Person the right to receive any Options.
- (c) It is a condition of these Rules that the Plan may be terminated at any time at the discretion of the Board and that no compensation under any employment or services contract will arise as a result.

11.2 Termination of employment

This Plan:

- (a) does not confer on any Eligible Person or Participant the right to continue as an employee or officer or contractor of any Group Company or any Related Body Corporate of a Group Company;
- (b) does not affect any rights which a Group Company, or any Related Body Corporate of a Group Company, may have to terminate the employment or office of or contractual relations with the Eligible Person or Participant; and
- (c) may not be used to increase damages in any action brought against a Group Company, or any Related Body Corporate of a Group Company, in respect of that termination.

12 Connection with other plans

Unless the Board otherwise determines, participation in the Plan does not affect, and is not affected by, participation in any other Employee Incentive Scheme by the Company unless the terms of that other Employee Incentive Scheme provide otherwise.

13 Notices

Any notice or direction given under these Rules is validly given if it is handed to the person concerned or sent by ordinary prepaid post to the person's last known address or given in any reasonable manner which the Board from time to time determines.

14 Plan costs and brokerage

- (a) Unless otherwise determined by the Board, the Company must pay:
 - (i) all costs, charges and expenses relating to the establishment and operation of the Plan; and
 - (ii) any brokerage for the acquisition of Shares (including, without limitation, upon the exercise of Options) under the Plan.
- (b) For the avoidance of doubt, the Company is not responsible for any brokerage payable in relation to the sale of Shares or Options held by any Participant.

15 Overseas Eligible Persons

The Company, at the Board's discretion, may:

- (a) invite Eligible Persons who are resident outside of Australia to participate in the Plan; and
- (b) make regulations for the operation of the Plan which are not inconsistent with these Rules to apply to Eligible Persons and Participants who are resident outside of Australia.

16 Subdivision 83A-C applies

Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth) applies to the scheme set out in these Rules.

17 General restrictions

17.1 General

Notwithstanding any Rule, Options may not be issued, transferred or dealt with under the Plan if to do so would contravene the Applicable Law or where the compliance with any Applicable Law would in the opinion of the Board be unduly onerous or impractical.

17.2 Limit on aggregate number of Options

An offer of Options may only be made under the Plan at any particular time, if:

- (a) the number of Shares that may be acquired on exercise of rights or options on issue under any Employee Incentive Scheme (including the Plan); plus
- (b) the number of Shares which would be issued if each already issued and outstanding offer with respect to options over Shares under any Employee Incentive Scheme (including the Plan) was to be accepted,

does not exceed 5% of the total number of issued Shares as of the time of the offer unless otherwise approved by the Company's Shareholders.

18 Amendment of the Rules, Vesting Conditions or terms of issue

18.1 General

Subject to Rule 18.2 and the Applicable Law, the Board may amend, add to, delete, revoke or otherwise vary:

- (a) any or all of the Vesting Conditions or the terms of issue of an Option at any time in any manner it thinks fit in its absolute discretion; or
- (b) these Rules with the written consent of the majority of Shareholders,

(Amendment).

18.2 Limitation on Amendments

- (a) No Amendment to the provisions of these Rules may be made which reduces the rights of Participants in respect of Options acquired by them prior to the date of the Amendment, other than an Amendment introduced primarily:

- (i) for the purpose of complying with or conforming to present or future Applicable Law;
 - (ii) to correct any manifest error or mistake; or
 - (iii) for the purpose of enabling Participants to receive a more favourable taxation treatment in respect of their participation in the Plan.
- (b) No Amendment can be made to Rules 17.2 or 18.1 except with the written consent of the majority of Shareholders.

19 Governing law

These Rules are governed by and shall be construed in accordance with the laws of the State of New South Wales, Australia.