

Far East Gold Limited
ACN 639 887 219

Incentive Entitlements Plan
Plan Rules

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1 INTRODUCTION

1.1 Name of Plan

The Plan is called the Far East Gold Limited Incentive Entitlements Plan.

1.2 Objectives of Plan

The objectives of the Plan are to:

- (a) provide Incentive Entitlements to Eligible Participants who are considered to be key to the future success of the Company as an incentive in order to retain the services of those Eligible Participants in the future and incentivise performance;
- (b) provide a means by which Eligible Participants may acquire Shares in the Company in addition to their remuneration; and
- (c) recognise and reward the performance of Eligible Participants and their contribution to the future success of the Company by providing Incentive Entitlements to those Eligible Participants.

1.3 Commencement of Plan

The Plan will commence operation on the date that is adopted by the Board.

2 DEFINED TERMS AND INTERPRETATION

2.1 Defined terms

In these Rules, unless the context otherwise requires, the following words and phrases have the meaning ascribed to them:

Acquisition Date	in respect of Shares issued under this Plan, the date on which the Shares are registered in the name of the Eligible Participants or where the Shares are acquired by the Eligible Participants other than by way of subscription on such other date as may be determined by the Board so as to ensure the Exemption Conditions are satisfied.
Applicable Law	each of: <ul style="list-style-type: none">(a) the Corporations Act;(b) the Corporations Regulations;(c) the Listing Rules;(d) any other applicable securities laws;(e) the constitution of the Company;(f) the Taxation Laws; and(g) any practice note, policy statement, class order, declaration or guideline relating to any of the items in paragraphs (a) to (f) of this definition.
Application	a form for, or method of acceptance by an Eligible Participant of Incentive Entitlements offered under an Invitation approved by the Board from time to time.

Approved Absence	the period of time for which an Incentive Entitlements Holder has been granted an approved leave of absence and who exercises the right to return to work, under any applicable award, enterprise agreement, other agreement, statute or regulation.
ASIC	the Australian Securities and Investments Commission.
ASX	ASX Limited ACN 008 624 691.
Board	the board of directors of the Company or a committee appointed by the Board for the purposes of the Plan.
Bonus Issue	has the meaning given in the Listing Rules.
Business Day	a business day as defined in the Listing Rules.
Change of Control	each of the following circumstances: <ul style="list-style-type: none"> (a) if a Takeover Bid is made to acquire at least 50% of the Shares, a person obtains Voting Power in the Company of more than 33% and the Takeover Bid is or has become unconditional; (b) a Court has sanctioned a compromise or arrangement under Part 5.1 of the Corporations Act (other than for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other entity or entities); (c) a selective capital reduction is announced in respect of the Company which would result in a person who previously had Voting Power of less than 50% in the Company obtaining Voting Power of more than 50%; or (d) any other event occurs that the Board considers has resulted or will result in a change of Control of the Company.
Certificate	means, in relation to an Option, the certificate or statement (in a form approved by the Board) issued to the Incentive Entitlement Holder which discloses the number of Options held by the Incentive Entitlement Holder.
Company or FEG	Far East Gold Limited ACN 639 887 219.
Constitution	the constitution of the Company.
Control	of the Company means having the right: <ul style="list-style-type: none"> (a) to vote 50% (or more) of the votes that can be cast on the election or removal of the Company's directors; (b) to appoint or remove directors who possess 50% (or more) of the votes exercisable by all directors of the Company; or (c) to 50% (or more) of the profits or distributions of the Company or of its net liquidation proceeds.
Corporations Act	<i>Corporations Act 2001 (Cth).</i>

Corporations Regulations	regulations made under the Corporations Act.
Director	a director of the Company.
Eligible Participant	a person whom the Board determines should participate in the Plan and is invited by the Company to participate in this Plan.
Exchange	the exchange operated by ASX and any other exchange on which Shares are admitted to trading.
Exempt Conditions	the exemption conditions set out in section 83A-35 of the ITAA 1997.
Exercise Price	a price payable (if any) per Share to exercise an Incentive Entitlement as prescribed by the Board in the Invitation.
Grant Date	the date from which the Board determines that an Incentive Entitlement takes effect.
Group Member	each of the Company and its Subsidiaries.
Incentive Entitlement	any form of equity based incentive that entitles the recipient to be issued a Share as determined by the Board, including: <ul style="list-style-type: none"> (a) Shares; (b) Options; (c) Performance Rights; and (d) Service Incentives.
Incentive Entitlements Holder	an Eligible Participant to whom Incentive Entitlements have been granted.
Invitation	an invitation referred to in rule 0.
ITAA 1997	the <i>Income Tax Assessment Act 1997</i> (Cth) as amended from time to time.
Listing Rules	the Official Listing Rules of the ASX and, for so long as the Shares are listed or quoted on any other stock exchange where such securities exchange requires compliance with its listing rules, the listing rules applicable to that stock exchange.
Market Value	means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an Invitation.
Notice of Exercise	means a duly completed and executed notice of exercise of an Option by an Incentive Entitlements Holder, in the form prescribed and otherwise as required by the Board from time to time.
Option	an option to acquire Shares upon payment of an Exercise Price and satisfaction of specified Vesting Conditions.
Performance Right	a right to acquire a Share upon achievement of performance conditions as determined by the Board.

Plan	the Far East Gold Limited Incentive Entitlements Plan as set out in these rules, subject to any amendments or additions made under rule 14.
Plan Shares	means a Share issued under this Plan.
PPSA	the <i>Personal Property Securities Act 2009</i> (Cth).
Performance Incentive	rights to be issued a Share for nil Exercise Price upon the satisfaction of Vesting Conditions specified in an Invitation.
Record Date	has the meaning given in the Listing Rules.
Remuneration	in relation to an Eligible Participant, the payments, emoluments and other benefits which the Eligible Participant may become entitled to receive from time to time as remuneration for services to be provided or work to be performed by the Eligible Participant in the course of, or in connection with, his or her employment as an employee of a Group Member including, but not limited to, salary or wages.
Salary Sacrifice	where an employee agrees to contractually forgo part of their future Remuneration that they would otherwise receive in return for a benefit of similar value.
Security Interest	any mortgage, pledge, lien, charge, assignment, hypothecation or security interest, or any other agreement or arrangement having a similar commercial or legal effect, and includes an agreement to grant or create any of those agreements or arrangements. It includes a security interest within the meaning of section 12 of the PPSA, other than an interest in Personal Property that would not be a security interest but for the operation of section 12(3) of the PPSA.
Securities	has the meaning given in section 92 of the Corporations Act.
Service Incentive	a right to acquire a Share based upon the service of the Eligible Participant with a Group Member.
Share	a fully paid ordinary share in the capital of the Company.
Shareholder	a holder of Shares.
Subsidiary	has the meaning given in the Corporations Act.
Takeover Bid	has the meaning given in section 9 of the Corporations Act.
Taxation Laws	the <i>Income Tax Assessment Act 1936</i> (Cth) and the <i>Income Tax Assessment Act 1997</i> (Cth).
Trading Lock	a mechanism arranged or approved by the Board and administered by the Company (including through its share registry or relevant securities exchange trading systems) that prevents Shares being disposed of by an Eligible Participant during the Trading Lock Period to ensure the Exemption Conditions are satisfied.
Trading Lock Period	in relation to any particular Shares granted to an Incentive Entitlements Holder under the Plan, the period from the Acquisition Date until the earlier of:

Tranche	<p>(a) such date as may be determined by the Board in its discretion so as to satisfy the Exemption Conditions; or</p> <p>(b) the day after the date on which the Incentive Entitlements Holder ceases to be an employee, other than because of an Approved Absence,</p> <p>or such other date determined by the Board.</p>
Trust	such number of Shares acquired by or issued to an Incentive Entitlements Holder as a consequence of the acceptance of an Invitation.
Trust Deed	the “FEG Share Plan Trust”, being an employee share trust that may be established by the Company for the sole purpose of subscribing for or acquiring, delivering, allocating and holding Shares in the Company for the benefit of the Eligible Participants and participants in other employee equity incentives schemes established by the Company from time to time.
Trustee	the trust deed that may be established by the Company and the Trustee, to be named in the FEG Share Plan Trust Deed.
Trustee	an entity who has agreed to act as trustee of the Trust (if established) on the terms and conditions set out in the Trust Deed.
Vesting Condition	one or more conditions which must be satisfied or circumstances which must exist before the relevant Incentive Entitlements issued under this Plan will vest, which may include vesting dates, performance targets, hurdles or key performance indicators in relation to the Incentive Entitlements.
Voting Notice	means the written notice given by or on behalf of the Company to an Incentive Entitlement Holder informing him or her that all of the Vesting Conditions have been satisfied or waived.
Voting Power	has the meaning given in the Corporations Act.

2.2 Interpretation

In this Plan:

- (a) headings are for convenience only and do not affect the interpretation of these rules; and

unless the context otherwise requires:

- (b) reference to any legislation or a provision of any legislation includes a modification or re-enactment of the legislation or a legislative provision substituted for it, and all legislation and statutory instruments and regulations issued under, the legislation;
- (c) words denoting the singular include the plural and vice versa;
- (d) words denoting a gender include the other gender;
- (e) reference to any document or agreement includes reference to that document or agreement as amended, novated, supplemented, varied or replaced from time to time;

- (f) if a word or phrase is given a defined meaning in these rules, any part of speech or other grammatical form of that word or phrase has a corresponding meaning;
- (g) reference to a rule or paragraph is a reference to a rule or paragraph of these rules, or the corresponding rule as amended from time to time;
- (h) any reference to the Board includes the Board, any committee appointed by the Board, or any person or body to which the Board has delegated its powers under this Plan;
- (i) a reference in the Plan to a party to a document includes that party's executors, administrators, successors and permitted assigns, including any person taking by way of novation and, in the case of the Trustee, includes any substituted or additional trustee; and
- (j) if an act or thing must be done on a particular day or within a particular period, that act or thing must be done before, and that period ends at, 5.00 pm eastern standard time on the relevant day.

2.3 Applicable Laws

These rules are to be interpreted subject to the Applicable Laws.

3 PRINCIPAL CONDITIONS

- (a) This Plan may be operated so that Incentive Entitlements issued to or acquired by Eligible Participants under the Plan satisfy the Exemption Conditions so as to permit the application of section 83A-35 of the ITAA 1997.
- (b) Without limiting rule 3(a), this Plan will be operated on a non-discriminatory basis within the meaning of that expression in section 83A-35(6) of the ITAA 1997.

4 INVITATION TO PARTICIPATE

4.1 Invitation

The Board may, from time to time, at its absolute discretion, issue Invitations to Eligible Participants to apply for a specified number of Incentive Entitlements.

4.2 Required information to be provided to Eligible Participants

The Board will set out in the Invitation to each Eligible Participant the following information regarding that Eligible Participant's Incentive Entitlements:

- (a) the nature of the Incentive Entitlements;
- (b) the number of Incentive Entitlements for which the Eligible Participant is eligible to apply;
- (c) the Grant Date;
- (d) the amount payable on grant of the Incentive Entitlement (if any);
- (e) the Exercise Price (if any);
- (f) the expiry date (if any);
- (g) the Vesting Conditions (if any);

- (h) any restrictions that apply in respect of the Incentive Entitlements, including restrictions on dealing with the Incentive Entitlements;
- (i) the amount payable to acquire the Incentive Entitlements (if any); and
- (j) any other relevant conditions attaching to the Incentive Entitlements.

4.3 Voluntary participation

Participation in this Plan by Eligible Participant is voluntary, and no Eligible Participant is required to participate in this Plan.

5 APPLICATION FOR INCENTIVE ENTITLEMENTS

5.1 Application by Eligible Participant

- (a) Following receipt of an Invitation, an Eligible Participant may apply for all or part of the number of Incentive Entitlements specified in the Invitation.
- (b) An Eligible Participant will make the application by sending to the Company the duly completed and signed Application confirming that the Eligible Participant will participate in the Plan and the number of Incentive Entitlements the Eligible Participant will accept.
- (c) By completing and returning the Application, the Eligible Participant is deemed to have agreed to be bound by the terms of this Plan and the Constitution of the Company (as amended from time to time).

5.2 Period for acceptance of Invitation

The Company must receive the Application from the Eligible Participant, within the period for acceptance set out in the Invitation.

5.3 Payment for Incentive Entitlements

- (a) The method of payment for Incentive Entitlements will be determined by the Board from time to time, having regard to the following:
 - (i) the Board may issue Incentive Entitlements to the Eligible Participants for such amount as determined by the Board in its absolute discretion, including but not limited to issuing Incentive Entitlements for nil consideration;
 - (ii) the Board may require or invite an Eligible Participant to pay money on account of Incentive Entitlements to be acquired under the Plan, either by cash or Salary Sacrifice, in relation to any Shares to be acquired either on the relevant securities exchange or by off-market purchase pursuant to rules 9.1(c)(ii) or 9.1(c)(iii).
- (b) On receipt of funds in accordance with rule 5.3(a), the Board will:
 - (i) arrange for the Incentive Entitlements either to be acquired on behalf of or issued to the Eligible Participant;
 - (ii) be responsible for payment of the purchase price to the relevant party or parties (as applicable); and
 - (iii) hold the funds received on trust for the Eligible Participant concerned until the Incentive Entitlements are registered in the name of the Eligible Participant; and/or

- (iv) any combination of rules 5.3(a) or (b).
- (c) The Company will not require or invite an Eligible Participant to deposit with or lend money to any member of the Group in connection with the Plan.

6 GRANT OF INCENTIVE ENTITLEMENTS

6.1 Grant

- (a) Once the Company has received and accepted a duly signed and completed Application for Incentive Entitlements, the Board may, in its absolute discretion and only where the applicant remains an Eligible Participant, grant Incentive Entitlements to the Eligible Participant, with effect from the Grant Date, upon the terms set out in the Plan and the Invitation.
- (b) The Company will, within a reasonable period after the grant of the Incentive Entitlements, issue the Eligible Participant with a certificate or statement evidencing the grant of the Incentive Entitlements.

6.2 Disposal restrictions

- (a) If an Incentive Entitlement is issued subject to a restriction on dealing, a Trading Lock may be applied to each Tranche of Shares held by an Incentive Entitlements Holder under the Plan for the duration of the Trading Lock Period applicable to those Shares.
- (b) The Board may in its absolute discretion take such action as it considers necessary to enforce the Trading Lock or otherwise to ensure that the Exemption Conditions are satisfied.
- (c) On or after the expiration of the Trading Lock Period, the Board will issue the securities in accordance with rule 9.1.

6.3 Transfer of Incentive Entitlements

- (a) An Incentive Entitlement granted under the Plan is not transferable other than with the prior written consent of the Board (which may be withheld in its absolute discretion).
- (b) An Incentive Entitlements Holder may not grant a Security Interest over an Incentive Entitlement.
- (c) If an Incentive Entitlements Holder purports to transfer or grant a Security Interest over an Incentive Entitlement, that Incentive Entitlement will immediately lapse.
- (d) Rule 6.2(a) does not apply to the transmission of Incentive Entitlements to the legal personal representative of the Incentive Entitlements Holder following the Incentive Entitlements Holder's death.

6.4 Approvals

The Board must ensure that:

- (a) every issue of Incentive Entitlements under the Plan complies with the Applicable Law; and
- (b) all necessary approvals required under the Applicable Law are obtained prior to the issue of Incentive Entitlements under the Plan.

6.5 Limits on grant of Incentive Entitlements

FEG will not make an Invitation where the grant of Incentive Entitlements contemplated by the Invitation would result in FEG exceeding the limit that applies under ASIC Class Orders 14/1000 and 14/1001 or any subsequent or replacement class order in respect of new issues of securities under employee share schemes.

7 VESTING OF INCENTIVE ENTITLEMENTS

7.1 Vesting

- (a) Subject to these rules, each Incentive Entitlement issued to an Incentive Entitlements Holder will vest only in such form and manner as the Board prescribes.
- (b) An Incentive Entitlement will vest when a Vesting Notice in respect of those Incentive Entitlements is given or deemed to be given to an Incentive Entitlement Holder.

7.2 Lapse of an Incentive Entitlement

Unless the Board determines otherwise in its absolute discretion, an unvested Incentive Entitlement will lapse upon the earliest to occur of:

- (a) the Incentive Entitlement lapsing in accordance with rule 6.3(c);
- (b) the Incentive Entitlement lapsing in accordance with a provision of this rule 7;
- (c) the Incentive Entitlement lapsing in accordance with any other provision of this Plan;
- (d) the Vesting Conditions in respect of an Incentive Entitlement not being met within any applicable period; or
- (e) any date specified in the relevant Invitation by which the Incentive Entitlements will automatically lapse.

7.3 Incentive Entitlements Holder's death or ill health

Subject to the terms and conditions set out in an Eligible Participant's Invitation, if before an Incentive Entitlement has vested, the Incentive Entitlements Holder:

- (a) ceases to be an employee as a result of ill health; or
- (b) dies;

then the Board may determine that any of that Incentive Entitlements Holder's Incentive Entitlements vest, and the terms on which those Incentive Entitlements vest. If the Board does not make a determination within 3 months of the Incentive Entitlements Holder ceasing to be an employee of the Group Member, the Incentive Entitlements of that Incentive Entitlements Holder will be deemed to have lapsed on the date the Incentive Entitlements Holder ceased to be an employee of the Group Member.

7.4 Fraudulent or dishonest actions

If, in the opinion of the Board, an Incentive Entitlements Holder acts fraudulently or dishonestly or is in breach of his or her obligations to any Group Member, the Board may deem any unvested Incentive Entitlements of the Incentive Entitlements Holder to have lapsed.

7.5 Winding up

If a resolution is passed or an order is made to wind up the Company, the Incentive Entitlements lapse automatically on the passing of the resolution or making of the order (as applicable).

8 EXERCISE OF OPTIONS

8.1 Procedure for exercise

The exercise of any Option by an Incentive Entitlement Holder may only be effected by lodging a duly completed Notice of Exercise with the Company.

8.2 Conditions of exercise

An Option may only be exercised if:

- (a) the Vesting Conditions in relation to the Option have been satisfied or the Board determines that it considers it to be in the best interests of the Company to vary or waive the satisfaction of relevant Vesting Conditions and declare the Option to be vested;
- (b) the Option has not lapsed; and
- (c) the Exercise Price, if any, of the Option has been paid to the Company (by such means and in such manner approved by the Board, including the use of the Cashless Exercise Facility if permitted in the Participant's Invitation).

8.3 Cashless exercise

- (a) Subject to clause 8.3(c), an Invitation may specify that a Participant may at the time of exercise of those Options that are the subject of that Invitation, elect to pay the Exercise Price per Option by setting off the total Exercise Price against the number of Plan Shares which they are entitled to receive upon exercise (**Cashless Exercise Facility**).
- (b) Where a Participant is permitted in an Invitation and elects to use the Cashless Exercise Facility to exercise Options, the Participant will only be issued, allocated or transferred that number of Plan Shares (rounded down to the nearest whole number) as are equal in value to the difference between the total Exercise Price otherwise payable or as directed by the Company to exercise those Options and the then Market Value of the Shares at the time of exercise calculated in accordance with the following formula:

$$S = \frac{O \times (MV - EP)}{MV}$$

where:

- S = the number of Plan Shares to be issued, allocated or transferred to the Participant on exercise of the Options using the Cashless Exercise Facility;
- O = The number of Options exercised by the Participant using the Cashless Exercise Facility;
- MV = The Market Value of a Share at the time of exercise using the Cashless Exercise Facility;
- EP = The Exercise Price per Option of the Options exercised using the Cashless Exercise Facility.

- (c) The Cashless Exercise Facility may only be used by a Participant if the difference between the Exercise Price per Option and the Market Value per Share at the time of Exercise is greater than zero.

8.4 Partial exercise – issue of new Certificate

Where an Incentive Entitlement Holder submits a Notice of Exercise in respect of only some of the Options covered by a Certificate, the Company must either:

- (a) issue a Certificate which evidences the remaining number of Options held by the Incentive Entitlement Holder; or
- (b) endorse the existing Certificate to reflect the remaining number of Options held by the Incentive Entitlement Holder,

as the Company determines in its discretion.

9 ISSUE OF SECURITIES

9.1 Issue of Securities

- (a) Subject to these rules and the applicable Invitation, each Incentive Entitlement entitles the Incentive Entitlements Holder to one Share (or Option, as applicable) upon vesting of the Incentive Entitlement.
- (b) Within 10 Business Days after an Incentive Entitlement under the Plan has vested, the Company must award to the Incentive Entitlements Holder or his or her personal representative (as the case may be) the number of Shares or Options applicable to those Incentive Entitlements.
- (c) The method by which Shares or Options, as applicable, will be awarded to the Incentive Entitlements Holder in accordance with rule 9.1(b) may be in any one of the following ways, as determined by the Board from time to time:
 - (i) by way of allotment and issue of Shares or Options, as applicable, by the Company;
 - (ii) by acquiring Shares in the ordinary course of trading or otherwise on the relevant stock exchange and transferring those Shares to the Incentive Entitlements Holder;
 - (iii) by acquiring Shares by off-market purchases and transferring those Shares to the Incentive Entitlements Holder;

- (iv) by procuring the Trustee to subscribe for Shares or purchase Shares on or off market, and transferring those Shares to the Incentive Entitlements Holder;
- (v) by allocating Shares held in the Trust to the Incentive Entitlements Holder; or
- (vi) any combination of rules 9.1(c)(i) or (v).

9.2 Shares ranking

All Shares allotted under the Plan will rank equally in all respects with the Shares of the same class for the time being on issue except as regards any rights attaching to such Shares by reference to a Record Date before the date of their allotment.

9.3 Listing of Shares on an Exchange

If Shares of the same class as those allotted under the Plan are listed on an Exchange, the Company will apply to the Exchange within a reasonable time after they are allotted (if those Shares are not already listed) for those Shares to be listed.

9.4 Sale of Shares

- (a) There will be no transfer restrictions on Shares allotted under the Plan unless determined by the Board or unless the sale, transfer or disposal by the Incentive Entitlements Holder of the Shares issued to them on vesting of the Incentive Entitlements (or any interest in them) would require the preparation of a disclosure document (as that term is defined in the Corporations Act).
- (b) If a disclosure document is required, the Incentive Entitlements Holder agrees to enter into such arrangements with the Company as the Board considers appropriate to prevent the sale, transfer or disposal of the relevant Shares in a manner that would require a disclosure document to be prepared.

9.5 Restrictions as to dealing

If the Shares issued are subject to any restriction as to disposal or other dealing by the Eligible Participant (whether it be pursuant to the terms of issue by the Board or staff trading policies), the Board may implement any procedure it deems appropriate to ensure compliance (including the imposition of a holding lock on those Shares).

10 RISK LIES WITH INCENTIVE ENTITLEMENTS HOLDER

10.1 Independent advice

Each Incentive Entitlements Holder acknowledges and agrees that:

- (a) the Incentive Entitlements Holder has either obtained independent legal and financial advice before deciding whether to participate in this Plan or had the opportunity to obtain such independent advice but has chosen voluntarily not to obtain that advice; and
- (b) the Incentive Entitlements Holder has decided to participate in this Plan of their own free will and in reliance on their own judgement and advice and not in reliance on any statement, representation or warranty made by or on behalf of the Group Member or any of its officers.

10.2 Risk of loss

- (a) If an Incentive Entitlements Holder is issued Shares or granted Options and participates in this Plan, the risk of loss to that Incentive Entitlements Holder as the

holder of Shares or Options arising for any reason whatsoever including from the Shares or Options falling in value lies with the Incentive Entitlements Holder. Neither the Group Member, nor the Board, nor any officer or employee of the Group Member represents that either the Shares or Options will maintain their value or increase in value. None of them are responsible to an Incentive Entitlements Holder if the Incentive Entitlements Holder suffers any loss.

- (b) Neither the Group Member nor any adviser to the Group Member nor the Board represents or warrants that this Plan will have any particular taxation consequences or that any Incentive Entitlements Holder will gain any taxation advantage by participating in this Plan and they are not liable for, or as a consequence of, any taxes imposed upon or duties assessed against an Incentive Entitlements Holder.

11 TRUSTEE

11.1 Rights and obligations

The Board may determine and conclude agreements with the Trustee in relation to the operation of this Plan, and enforce or prosecute any rights and obligations under such agreements, without reference or recourse to the Incentive Entitlements Holders. Without limiting the Company's rights in this regard, the Company may, in accordance with any such agreements:

- (a) provide funds to the Trustee in order to allow the Trustee to subscribe for, acquire or allocate Shares held in Trust to the Incentive Entitlements Holder in accordance with rules 9.1(c)(iv) and 9.1(c)(v);
- (b) pay the Trustee for services provided in connection with this Plan and the Trust;
- (c) remove the Trustee and appoint a new trustee (and make any necessary arrangements or provisions for the transfer of Shares held by the Trustee to a new trustee); and
- (d) otherwise exercise any rights, responsibilities or powers afforded to it under the Trust Deed.

11.2 Costs

The Board may determine the manner in which any costs associated with the Trust and the costs incurred in the course of the performance by the Trustee of its role and duties under this Plan and the Trust Deed are to be borne.

11.3 Administration and holding of Shares

The Trustee must administer the Trust and hold Shares under the Plan in accordance with this Plan, the Trust Deed and any procedures determined by the Company and as agreed between the Board and the Trustee.

11.4 Registration of Shares

Unless the Board determines otherwise, if Shares are held by the Trustee for the proposed allocation to Incentive Entitlements Holders in accordance with rule 9.1(c)(iv), those Shares will be registered in the name of the Trustee until such allocation is made.

12 TAKEOVER / SCHEME OF ARRANGEMENT

Subject to the terms and conditions of a grant of an Incentive Entitlement and the Applicable Laws, if a Change of Control occurs, all unvested Incentive Entitlements will immediately vest.

13 BONUS ISSUES, RECONSTRUCTION

13.1 Adjustment for Bonus Issue

- (a) If the Company issues Securities by way of Bonus Issue to Shareholders, an Incentive Entitlements Holder is entitled, upon vesting of Incentive Entitlements to receive in addition to the Share in respect of which an Incentive Entitlement vests, the number of Securities which the Incentive Entitlements Holder would have received if the Incentive Entitlement had vested before the Record Date for the Bonus Issue.
- (b) Any additional Securities to which an Incentive Entitlements Holder becomes entitled under clause 13.1(a) will, as from the time Securities are issued pursuant to the Bonus Issue and until those additional Securities are allotted, be regarded as Securities comprised in the relevant Incentive Entitlements for the purposes of subsequent applications of rule 13.1(a), and any adjustments which, after the time just mentioned, are made under rule 13.2 to the number of Shares will also be made to the additional Shares.

13.2 Adjustment for reorganisation

If there is any reorganisation (including consolidation, subdivision, reduction or return) of the issued Shares, the number of Incentive Entitlements to which each Incentive Entitlements Holder is entitled will be adjusted in the manner provided for in the Listing Rules.

13.3 No other participation

Subject to rule 13.1, before the vesting of an Incentive Entitlement, an Incentive Entitlements Holder is not entitled to participate in any new issue of Shares as a result of holding Incentive Entitlements.

13.4 Board discretion

In the application of this rule 13, subject to Applicable Law, the Board may make whatever adjustments it considers appropriate to ensure that the consequences of that application are fair as between the Incentive Entitlements Holders and holders of other Securities.

14 AMENDMENTS

14.1 Power to amend Plan

Subject to rules 14.2 and 14.3 and Applicable Law, the Board may at any time by resolution amend or add to all or any of the provisions of the Plan (including this rule 144), or the terms of any Incentive Entitlement granted under the Plan, including Vesting Conditions.

14.2 Restrictions on amendments without the consent of the Incentive Entitlements Holder

The Board may not, without the consent of the Incentive Entitlements Holder, make any amendment to the terms of any granted Incentive Entitlement which reduces the rights of the Incentive Entitlements Holder in respect of that Incentive Entitlement, other than an amendment introduced primarily:

- (a) for the purpose of complying with or conforming to present or future legislation applicable to the Company or the Plan or a requirement, policy or practice of ASIC or other regulatory body governing or regulating the maintenance or operation of the Plan or like plans;
- (b) to correct any manifest error or mistake; or

- (c) to take into consideration possible adverse tax implications in respect of the Plan arising from, amongst others, adverse rulings from the Commissioner of Taxation, changes to Tax Laws (including an official announcement by the Commonwealth of Australia) or changes in the interpretation of Tax Laws by a court of competent jurisdiction.

14.3 Retrospective Effect

Subject to rule 14.1, any amendment made pursuant to rule 144 may be given such retrospective effect as is specified in the written instrument or resolution by which the amendment is made.

14.4 Notice of amendment

As soon as reasonably practicable after making any amendment under rule 14.1, the Board will give notice in writing of that amendment to any Incentive Entitlements Holder affected by the amendment.

15 MISCELLANEOUS

15.1 Rights and obligations of Incentive Entitlements Holder

- (a) The rights and obligations of any Eligible Participant under the terms of their office or employment with a Group Member are not affected by their participation in the Plan. Unless expressly provided otherwise, these rules will not form part of, and are not incorporated into, any contract of any Eligible Participant. No Incentive Entitlements Holder will have any right to compensation or damages for loss of any entitlement to Incentive Entitlements as a consequence of the termination of their office or employment with a Group Member.
- (b) Nothing in the Plan will give any Eligible Participant any right to participate in the Plan and the grant of an Incentive Entitlement to an Eligible Participant does not give that Eligible Participant any right to the grant of a subsequent Incentive Entitlement.

15.2 Power of the Board

- (a) The Plan is administered by the Board which has power to:
 - (i) determine appropriate procedures for administration of the Plan consistent with these rules; and
 - (ii) 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.
- (b) Except as otherwise expressly provided in this Plan, the Board has absolute and unfettered discretion to act or refrain from acting under or in connection with the Plan or any Incentive Entitlements under the Plan and in the exercise of any power or discretion under the Plan.

15.3 Waiver of terms and conditions

Notwithstanding any other provisions of the Plan, the Board may at any time waive in whole or in part any terms or conditions (including any Vesting Condition) in relation to any Incentive Entitlements granted to any Incentive Entitlements Holder.

15.4 Non-Australian residents

When an Incentive Entitlement is granted under the Plan to a person who is not a resident of Australia the provisions of the Plan apply subject to such alterations or additions as the Board determines having regard to any applicable laws, matters of convenience and desirability and similar factors which may have application to the Incentive Entitlements Holder or to any Group Member in relation to the Incentive Entitlement.

15.5 Communication

- (a) Any notice or other communication under or in connection with the Plan may be given by personal delivery or by sending the same by post or facsimile or electronic means, in the case of a company to its registered office, and in the case of an individual to the individual's last notified address, or, where an Incentive Entitlements Holder is a director or employee of a Group Member, either to the Incentive Entitlements Holder's last known address or to the address of the place of business at which the Incentive Entitlements Holder performs the whole or substantially the whole of the duties of the Incentive Entitlements Holder's office or employment.
- (b) If a notice or other communication is given by:
 - (i) post, it is deemed to have been received 24 hours after it was put into the post properly addressed and stamped;
 - (ii) facsimile, it is deemed to have been received on completion of transmission; and
 - (iii) electronic transmission, the notice is taken to have been served at the time the electronic transmission is sent.

15.6 Attorney

Each Incentive Entitlements Holder, in consideration of an Invitation:

- (a) irrevocably appoints the Company and any person nominated from time to time by the Company (each an attorney), severally, as the Incentive Entitlements Holder's attorney to complete and execute any documents including applications for Shares and Share transfers and to do all acts or things on behalf of and in the name of the Incentive Entitlements Holder which may be convenient or necessary for the purpose of giving effect to the provisions of these Rules;
- (b) covenants that the Incentive Entitlements Holder will ratify and confirm any act or thing done pursuant to this power;
- (c) releases each Group Member and the attorney from any liability whatsoever arising from the exercise of the powers conferred by this rule; and
- (d) indemnifies and holds harmless each Group Member and the attorney in respect thereof.

15.7 ASIC relief

- (a) Notwithstanding any other provisions of the Plan, every covenant or other provisions set out in an exemption or modification granted from time to time by ASIC in respect of the Plan pursuant to its power to exempt and modify the Corporations Act 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.

- (b) To the extent that any covenant or other provision deemed by this rule to be contained in the Plan is inconsistent with any other provision in the Plan, the deemed covenant or other provision shall prevail.

15.8 Laws governing Plan

- (a) This Plan and any Incentive Entitlements issued under it are governed by the laws of Queensland and the Commonwealth of Australia.
- (b) The Company and the Incentive Entitlements Holders submit to the non-exclusive jurisdiction of the courts of Queensland.