



**MURRAY RIVER ORGANICS GROUP
LIMITED**

**SHORT TERM INCENTIVE
PERFORMANCE RIGHTS PLAN**

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1. PURPOSE

The Short Term Incentive Performance Rights Plan is aimed at providing a short term incentive for employees to remain employed with the Group and to recognise and (subject to the Board's discretion) reward the contribution and achievement of employees to the Group.

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

In these Rules the following terms have the following meanings:

"Application Form" means an application form by which an Eligible Person or a Nominee can accept a Grant in such form as the Board may approve from time to time;

"ASIC" means Australian Securities and Investments Commission;

"ASX" means ASX Limited ACN 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

"Award" means an entitlement to a Payment;

"Board" means the board of directors of the Company from time to time, any committee of the Board or a duly authorized person or body to which the Board has delegated its powers under this Plan;

"Company" means Murray River Organics Group Limited ACN 614 651 473;

"Control Event" means:

- (a) a shareholder, or a group of associated shareholders:
 - (i) becoming entitled to sufficient shares in the Company to give it or them the ability, and that ability is successfully exercised, in general meeting, to replace all or a majority of the Board; or
 - (ii) gaining the ability to control more than 50% of the voting power (as defined in the Corporations Act) in the Company;
- (b) a Court orders a meeting to be convened in relation to a proposed compromise or arrangement for the purposes of, or in connection with:
 - (i) a scheme which would, if it becomes effective, result in any person (either alone or together with its related bodies corporate) owning all of the shares in the Company; or
 - (ii) a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
- (c) members of the Company approve any compromise or arrangement referred

to in paragraph (b);

- (d) any person becomes bound or entitled to acquire shares in the Company under:
 - (i) any compromise or arrangement referred to in paragraph (a) which has been approved by the Court;
 - (ii) section 414 of the Corporations Act; or
 - (iii) Part 6A.1 or Part 6A.2 of the Corporations Act;
- (e) a resolution is proposed to be put to shareholders proposing a voluntary winding up; or
- (f) an order is sought for the compulsory winding up of the Company;

"Constitution" means the constitution of the Company;

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

"Eligible Person" means a full time or part-time employee of the Group or a Related Body Corporate of a Group Company, or a director who holds a salaried employment or office in a Group Company or a Related Body Corporate of a Group Company of an unlimited duration[, or any person who is declared by the Board in its discretion to be eligible to receive a Grant of under the Plan];

"Employer" means in relation to any particular Participant, the Company or a Subsidiary by which that Participant is for the time being employed;

"Grant" means a grant made by the Company to an Eligible Person of an Award on the terms set out in these Rules;

"Group" means the Company and its Subsidiaries (if any) from time to time and a **"Group Company"** means any one of them;

"Law" means the laws of Australia, including, without limitation:

- (a) the Corporations Act;
- (b) the Listing Rules;
- (c) the Constitution;
- (d) the Income Tax Assessment Act 1936 (Cth);
- (e) the Income Tax Assessment Act 1997 (Cth);
- (f) any practice note, policy statement, regulatory guide, class order, ASIC instrument, declaration, guideline, policy, procedure, ruling, judicial interpretation or other guidance note made to clarify, expand or amend (a), (b), (c), (d) or (e) above; and

(g) any other legal requirement that applies to the Plan;

"Legal Personal Representative" means the executor of the will or an administrator of the estate of a deceased person, the trustee of the estate of a person under a legal disability or a person who holds an enduring power of attorney granted by another person;

"Listing Rules" means the listing rules of the ASX as amended from time to time;

"Measurement Date" means the date set by the Board in a Grant as the date on which the Board will determine the Payment;

"Participant" means a person who is granted an Award under this Plan and, in the case of the Redundancy, Retirement, Total and Permanent Disablement or death of any such person under the Specified Reason eligibility, the duly appointed or authorized representative of that person;

"Payment" means the cash amount to be paid to the Participant under this Plan, calculated in accordance with the method set out in the Grant of an Award;

"Payment Date" means the date set by the Board in a Grant as the date on which the Payment will be paid to the Participant;

"Performance Conditions" means the conditions relating to the performance of the Group or the Eligible Person (and the manner in which those conditions will be tested) which must be satisfied, or circumstances which must exist before an Award is treated as Vested;

"Performance Period" means the period set out in the Grant during which the Performance Conditions must be met;

"Plan" means the Short Term Incentive Performance Rights Plan of the Company as set out in these Rules;

"Redundancy" means, in relation to an Eligible Person, a determination by the Board that the Company's need to employ a person for the particular kind of work carried out by that Eligible Person has ceased (but, for the avoidance of any doubt, does not include the dismissal of an Eligible Person for personal or disciplinary reasons or where the Eligible Person leaves the employ of the Company of his or her own accord);

"Related Body Corporate" has the meaning given in the Corporations Act;

"Retirement" means, in relation to an Eligible Person, retirement by that Eligible Person from the Company at a date greater than 6 months from the grant of the Performance Right, who is age 55 or over;

"Rules" means the terms and conditions of the Plan as set out in this document as amended from time to time;

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

"Subsidiary" means a body corporate which is a subsidiary of the Company within the meaning of section 9 of the Corporations Act;

"Specified Reason" means Retirement, Total and Permanent Disablement, Redundancy or death;

"Total and Permanent Disablement" means, in relation to an Eligible Person, that the Eligible Person has, in the opinion of the Board and with effect on a date determined by the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the Eligible Person unlikely ever to engage in any occupation for which he or she is reasonably qualified by education, training or experience; and

"Vest", "Vested" or "Vesting" means, in respect of an Award, the time at which all the conditions which must be satisfied or waived for the Participant to receive payment of the Payment under that Award have been satisfied or where the Payment otherwise qualifies for payment in accordance with these Rules.

2.2 Interpretation

Headings are for convenience only and do not affect interpretation. The following rules of interpretation apply unless the context requires otherwise.

- (a) The singular includes the plural and conversely.
- (b) A gender includes all genders.
- (c) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (d) A reference to a person includes a body corporate, an unincorporated body or other entity and conversely.
- (e) A reference to a clause is to a clause of these Rules.
- (f) A reference to any agreement or document is to that agreement or document as amended, novated, supplemented, varied or replaced from time to time, except to the extent prohibited by these Rules.
- (g) A reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it.
- (h) A reference to conduct includes any omission and any statement or undertaking, whether or not in writing.
- (i) A reference to writing includes a facsimile transmission and any means of reproducing words in a tangible and permanently visible form.
- (j) Mentioning anything after include, includes or including does not limit what else might be included.

3. GRANT OF AWARDS

3.1 Grant

- (a) The Board may from time to time in its absolute discretion determine whether to make a Grant to an Eligible Person in any Financial Year. The Grant will be in such form as the Board determines from time to time and, without in any way limiting the Board's discretion, will include the following information:
 - (i) the date of the Grant;
 - (ii) the name of the Eligible Person to whom the Grant is made;
 - (iii) the method by which the Payment of the Award is calculated, and if the Payment varies by reference to the price or value of Shares, the number of Shares on which the Payment will be calculated and the manner in which that price or value will be calculated;
 - (iv) the Performance Conditions and Performance Period;
 - (v) the Measurement Date(s);
 - (vi) the Payment Date;
 - (vii) the Expiry Date; and
 - (viii) the time period in which to accept the Grant by returning a duly completed Application Form any other terms and conditions relating to the Grant (if any) which in the opinion of the Board are fair and reasonable but not inconsistent with these Rules.
- (b) Grants may be made by the Board on a differential basis to Eligible Persons, different classes of Eligible Persons or to Eligible Persons within the same class, as the case may be.

3.2 Application Form

- (a) An Eligible Person who receives an Grant can only accept the Award and participate in the Plan by returning a duly completed Application Form within the time period and as otherwise specified in the Grant.
- (b) An Eligible Person may nominate a Nominee to be granted the Award as specified in the Grant by notice in writing to the Board. The Board may, in its absolute discretion, resolve not to allow the grant of the Award to the Nominee without giving any reason for such decision.
- (c) If an Application Form is not returned within the time specified or otherwise in accordance with the requirements set out in the Grant, the Board may nevertheless in its sole discretion treat any Application Form received from an Eligible Person (or their Nominee) as being returned in accordance with clause 3.2(a).
- (d) For the avoidance of doubt, the Board in its sole discretion can refuse to allow an Eligible Person (or their Nominee) to participate in the Plan even though a duly completed Application Form is received from the Eligible Person (or their Nominee) in accordance with clause 3.2(a).

3.3 Eligible Persons

Subject to clause 3.2(d), following:

- (a) receipt of a duly completed Application Form by an Eligible Person; or
- (b) the Board approving the grant of an Award to a Nominee and the Nominee giving the Company a duly completed Application Form,

then the Eligible Person or the Nominee, as the case may be, will be taken to have agreed to be bound by these Rules and the terms of the Grant.

3.4 Lapse of the Grant

Unless the Board determines otherwise, a Grant lapses where it is not accepted in accordance with clause 3.3.

3.5 Terms of Grant

- (a) All Awards under this Plan are subject to the terms and conditions set out in these Rules and such other terms as imposed by the Board from time to time.
- (b) Awards granted under this Plan do not Vest in the Participant until the Participant satisfies the vesting requirements or conditions applicable to that Award.

4. RESTRICTIONS AND PAYMENT

4.1 Dealing

- (a) A Participant must not sell, transfer, mortgage, charge or otherwise dispose of, deal with, grant any interest in or encumber any interest in any Award held by the Participant.
- (b) Where a Participant purports to deal with any interest in any Award in breach of clause 4.1(a), the Award will immediately lapse.

4.2 Employment

- (a) Subject to clauses 4.2(b), 4.2(c) and 5, in order to qualify for Payment to the Participant, an Eligible Person must remain employed with a Group Company in Australia in a full-time or permanent part-time position for all of the portion of the Performance Period specified in the Grant for the Award.
- (b) In respect of:
 - (i) Eligible Persons who commence employment with the Group following the commencement of a Financial Year; or
 - (ii) Eligible Persons who were not employed for the full Financial Year (other than Eligible Persons who cease to be an employee by reason of Retirement),

any Award granted to such Participants under the Plan may qualify for Payment, such Payment to be calculated on a pro rata basis (rounded to the nearest month) and to be paid on the Payment Date, provided that such Participants were employed with a Group Company for at least 3 months of the relevant Financial Year.

- (c) An Eligible Person who ceases to be an Eligible Person by reason of Retirement may qualify for Payment of an Award, such Payment to be calculated on a pro rata basis (rounded to the nearest month) and to be paid on the Payment Date.
- (d) In respect of an Award granted to a Participant under the Plan who is employed on a part-time basis, any Payment to which such Eligible Persons are entitled will be calculated on a pro rata basis and based on the hours of work for which each such Eligible has been paid.

4.3 Payment of Payments

- (a) Subject to clause 4.3(b), an Award granted to a Participant under the Plan will not qualify for Payment unless it is determined by the Board at the Measurement Date that:
 - (i) the Performance Criteria for the Award were met during the Performance Period for the Award; and
 - (ii) the Award has not been forfeited under clause 4.4 or 4.5.
- (b) The Board may determine that an Award granted to a Participant will qualify for payment of the Payment of that Award, whether or not any or all applicable Performance Criteria have been satisfied:
 - (i) in the circumstances set out in clause 6.2; or
 - (ii) in any other circumstance if the Board in its absolute discretion determines.
- (c) It is a condition precedent to qualification for a Payment that:
 - (i) if the Participant is an individual, the Participant is not bankrupt and has not committed an act of bankruptcy; or
 - (ii) if the Participant is deceased, the Participant's estate is not bankrupt.

4.4 Gross Misconduct

Despite this clause 4.4, where a Participant commits an act of Gross Misconduct at any time during the Performance Period, an Award granted under this Plan which has not Vested at the time the act of Gross Misconduct takes place will be forfeited and the Participant will have no right to it.

4.5 Timing of Payment

If an Award granted to a Participant qualifies for payment of the Payment under these Rules and has not been forfeited, the Company will, subject to clause 4.6, pay the Payment of that Award to the Participant on or before the Payment Date

4.6 Salary Sacrifice

If prior to payment of a Payment, the Participant and the Employer enter into an agreement setting out the terms and conditions of a Salary Sacrifice, the Payment will be governed by and treated under the Salary Sacrifice.

4.7 Taxes

Payments shall be reduced by any taxes that are required to be withheld from such payments.

5. CESSATION OF EMPLOYMENT

5.1 Cessation of Employment for a Specified Reason

(a) Where a Participant ceases to be employed, or has given notice that he or she will cease to be employed, as an Eligible Person:

- (i) on a full-time or permanent part-time basis;
- (ii) by a company within the Group (and is not immediately employed on a full-time or part-time basis by another company within the Group);
- (iii) for a Specified Reason; and
- (iv) during the Performance Period or at any time before the Payment Date,

the Board may determine in its absolute discretion that any Award that has been Granted to the Participant and properly accepted at that date will either:

- (v) Vest in the Relevant Person;
 - (vi) partly Vest in part in the Relevant Person and the remainder of the Award will be forfeited with the Relevant Person having no further right or interest to them; or
 - (vii) all be forfeited with the Relevant Person having no further right or interest in it.
- (b) Where the Board exercises its discretion under clause 5.1(a), it will provide written notice to the Relevant Person of the vesting or forfeiture of the Award (as applicable).

5.2 Cessation of Employment for reason other than Specified Reason

(a) Where a Participant ceases to be employed as an Eligible Employee:

- (i) on a full-time or permanent part-time basis;
- (ii) by a company within the Group (and is not immediately employed on a full-time or part-time basis by another company within the

Group);

- (iii) during the Performance Period or at any time before the Payment Date; and
- (iv) other than for a Specified Reason,

any Awards that have been Granted to the Participant and properly accepted will be forfeited by the Relevant Person and the Relevant Person will have no right or interest to those Awards.

5.3 Board Discretion

The Board may at the time of a Grant, provide for a different treatment on a Participant ceasing employment with a Group Company than that contemplated by clauses 5.1 and 5.2 in which case the terms of the Grant to Eligible Person under clause 3.2 shall prevail over clauses 5.1 and 5.2 to the extent of any inconsistency.

5.4 Leave of absence

Subject to applicable laws, at the discretion of the Board, an Eligible Person who is granted an approved leave of absence and who exercises their right to return to work under any applicable award, enterprise agreement, other agreement, statute or regulation before an Award Vests under the Plan will be treated for those purposes as not having ceased to be such an employee.

5.5 Fraudulent or dishonest actions

If in the opinion of the Board a Relevant Person acts fraudulently or dishonestly or is in material breach of his or her obligations to any Group Company then the Board may in its absolute discretion then the Board may determine that any Awards that have been Granted to the Participant and properly accepted will be forfeited by the Participant and the Participant will have no right or interest to those Awards.

6. CORPORATE ACTIONS

6.1 Reconstructions

If the Company reconstructs its capital in any way, Payments under an Award which have not been paid at the time of the reconstruction may be adjusted as the Board in its absolute discretion sees fit or considers necessary so as to provide the Participant with an amount equal in value to which the Participant may have been entitled in accordance with these Rules immediately before the reconstruction occurred.

6.2 Control Event

If a Control Event occurs in relation to the Company, the an Award that has not Vested at the time of the announcement to the ASX of the Control Event may Vest to the extent that the Board, in its absolute discretion, considers appropriate having regard to the performance of the Participant and the Company and the Performance Conditions requiring satisfaction within the Performance Period.

7. ADMINISTRATION OF THE PLAN

- (a) The Plan will be administered by the Board. The Board will have power to delegate the exercise of its powers or discretions arising under the Plan to any one or more persons (including, but not restricted to, a committee or sub-committee of the Board) for such period and on such conditions as the Board may determine.
- (b) The Board may at any time appoint or engage specialist service providers for the operation and administration of the Plan.
- (c) Where the Board is required to make a determination or is entitled to exercise discretion in respect of the Plan, that determination or discretion shall be exercised reasonably and in good faith, unless provided otherwise.
- (d) Except as otherwise expressly provided in these Rules, the Board has absolute and unfettered discretion in the exercise of any of its powers or discretions under these Rules and in deciding whether to act or refrain from acting under these Rules or in connection with the Plan.
- (e) The Board may, in relation to an Award granted under the Plan, waive in whole or in part, on terms it considers appropriate, any of the conditions for Vesting of the Award or other terms or conditions applicable to the Award.

8. RIGHTS OF PARTICIPANTS

Nothing in these Rules or participation in the Plan:

- (a) confers on any Eligible Person or Participant the right to continue as an employee or officer of any Group Company;
- (b) confers on any Eligible Person the right to become or remain an Eligible Person or Participant or to participate under the Plan on the same basis, or at all, in any future year;
- (c) will be taken into account in determining an Eligible Person's salary or remuneration for the purposes of superannuation or other pension arrangements;
- (d) affects the rights and obligations of any Eligible Person or Participant under the terms of their office or employment with any Group Company;
- (e) affects any rights which a Group Company may have to terminate the employment or office of an Eligible Person or Participant or will be taken into account in determining an Eligible Person or Participant's termination or severance pay;
- (f) confers on any Eligible Person or Participant any right to compensation for any loss in relation to the Plan;
- (g) may be used to increase damages in any action brought against any Group Company in respect of any such termination;

- (h) confers any responsibility or liability on any Group Company or its directors, officers, employees, representatives or agents in respect of any taxation liabilities of the Eligible Person or Participant; or
- (i) confers or is intended to confer on a Participant any interest in a Share or any other share or other security in a Group Company or any right to acquire a Share or any other share or other security in a Group Company or any other body corporate or entity or any right or benefit generally accorded to holders of Shares.

9. LIABILITY

The Group Companies and their respective directors and officers are not liable for anything done or omitted to be done by such person or any other person with respect to:

- (a) the price, time, quantity or other conditions and circumstances of the acquisition, custody or sale of Shares;
- (b) any fluctuations in the market price of Shares; and
- (c) anything done in connection with the Plan,

except for the dishonesty, fraud or wilful default of such person.

10. AMENDMENT, TERMINATION AND SUSPENSION

- (a) Subject to clause 10(b), the Board may at any time and from time to time by resolution alter the Plan (including these Rules), the Performance Conditions and any other terms and conditions of a Grant. The Board must notify the Participant of any such amendment.
- (b) Any amendment to the Plan is subject to any restrictions or procedural requirements relating to the amendment of the rules of an employee incentive scheme imposed by the Listing Rules.
- (c) The Board may at any time, and at its complete discretion, suspend or terminate the Plan without notice to Participants and without any liability whatsoever on any Group Company. A Participant may not claim any compensation as a result of termination or suspension of the Plan.
- (d) No action may be taken under this clause 10 that would prejudicially affect the existing rights of Participants in respect of Awards already granted under these Rules.

11. GENERAL

11.1 Law, Listing Rules and the Constitution

The Plan and all offers and issues of Performance Rights under the Plan are subject to the Law, the Listing Rules and the Constitution, each as in force from time to time.

11.2 Issue limitations

- (a) Notwithstanding any other provision of these Rules, no Award may be offered under the Plan if to do so would contravene the Corporations Act, the Listing Rules or instruments of relief issued by ASIC from time to time relating to employee share schemes which the Company is relying on.
- (b) These Rules and the entitlements of Participants under these Rules are subject to the Applicable Law.

11.3 Termination Benefit

If the aggregate of any amounts payable to a Participant pursuant to these Rules upon termination (**Termination Benefit**) would, at the time for payment, exceed the amount which is permitted pursuant to the Corporations Act to be paid to the Participant (without shareholder approval) or is not the subject of any other applicable exemption, then the Termination Benefit will be reduced to the greatest amount which may then be payable and that reduced amount must be paid by the Company to the Participant.

11.4 Costs and Expenses

The Company will pay all expenses, costs and charges in relation to the establishment, implementation and administration of the Plan, including all costs incurred in or associated with the issue or purchase of Shares (except for taxes which are payable by Participants for the Performance Rights) for the purposes of the Plan. Each Group Company will, if required by the Board, reimburse the Company for any such costs and charges to the extent that they relate to its employees officers or former employees or officers.

11.5 Data protection

By returning an Application Form and participating in the Plan, each Participant consents to the holding and processing of personal data provided by the Participant to any Group Company for all purposes relating to the operation of the Plan. These include, but are not limited to:

- (a) administering and maintaining Participants' records;
- (b) providing information to trustees of any employee benefit trust, registrars, brokers or third party administrators of the Plan;
- (c) providing information to future purchasers of the Company or the business in which the Participant works;
- (d) transferring information about the Participant to a country or territory outside Australia.

11.6 Dispute

Any disputes or differences of any nature arising under the Plan or in relation to any Award granted under it will be referred to the Board and its decision will be final and binding in all respects.

11.7 Notices

Any notice or other communication under or in connection with the Plan may be given

by personal delivery or by sending it by post or fax or email, in the case of a company to its registered office (or any other address notified by that company from time to time ("**Notified Address**")) or the fax number (if any) of that registered office (or Notified Address), and in the case of an individual to their last known address, fax number, email address or, if they are a director or employee of a Group Company, either to their last known address, fax number or to the address of the place of business at which they carry out all or most of their duties, or to the fax number or email address relating to that address.

11.8 Governing Law

- (a) This Plan and the rights of Eligible Persons and Participants under the Plan are governed by the laws in force in the State of Victoria, Australia.
- (b) Each Participant and the Company irrevocably and unconditionally submit to the non-exclusive jurisdiction of the Courts of Victoria, the Commonwealth of Australia and Court entitled to hear appeals from those Courts.