

Employee Share Option Plan

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Sienna Cancer Diagnostics Limited
ABN 74 099 803 460

Version 2

Modified from Version 1 by Hicksons

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Employee Share Option Plan Rules – Sienna Cancer Diagnostics Limited

1. Definitions and Interpretations

1.1 Definitions

In this Agreement:

- (1) **ASX** means the Australian Stock Exchange;
- (2) **Conditions** means the terms and conditions attached to an Option by the Directors at the time of grant, as set out in the Offer Document or as otherwise specified in clause 5;
- (3) **Control** has the same meaning as set out in section 50AA of the Corporations Act 2001;
- (4) **Directors** means the Board of Directors of Sienna as constituted from time to time;
- (5) **Eligible Employee** means any person in the employment of Sienna or any associated company, whether a full or part-time employee or a Director or a consultant to Sienna;
- (6) **Eligible Nominee** means:
 - (a) the spouse of the Participant; or
 - (b) any trust or company, or a Related Body Corporate of any trust company Controlled by the Participant or their spouse;
- (7) **Exercise Notice** means the notification for the exercise of the Options in the form set out in Schedule 1;
- (8) **Exercise Price** is the price at which an Option is exercisable, as set out in the Offer Document or as otherwise determined pursuant to clause 5;
- (9) **Expiry Date** means in respect of an Option, five years from the Grant Date, or any such date specified to the contrary in the Offer Document.
- (10) **Grant Date** means in relation to any Option, the date on which the Board resolves to grant an Option, or such other date as specified by a resolution of the Board.
- (11) **Holder** is the lawful holder of an Option;
- (12) **Offer Document** means the document by which an Eligible Employee is offered Options and agrees to be bound by these Rules;

- (13) **Option** means an option to purchase ordinary shares in Sienna granted pursuant to these Rules;
- (14) **Participant** means an employee who has executed an Offer Document;
- (15) **Plan** means the Employee Share Option Plan defined by these Rules;
- (16) **Related Body Corporate** has the same meaning as set out in section 9 of the Corporations Act 2001;
- (17) **Rules** means this document;
- (18) **Sienna** means Sienna Cancer Diagnostics Limited ACN 099 803 460; and
- (19) **Vesting Date** means the date on which the Holder becomes eligible to Exercise their Option/s, as specified in the Offer Document.

1.2 Interpretation

In these Rules, unless the contrary intention appears:

- (1) a reference to:
 - (a) one gender includes the others;
 - (b) the singular includes the plural and the plural includes the singular;
 - (c) a clause, annexure or schedule is a reference to a clause in or annexure or schedule of these Rules;
 - (d) a document (including these Rules) includes any variation or replacement of it;
 - (e) a statute, ordinance, code or other law includes a regulation or other statutory instrument made or issued under it and consolidations, amendments, re-enactments or replacements of any of them;
 - (f) a person includes a partnership, body corporate, unincorporated association or an authority;
 - (g) a Party includes the Party's executors, administrators, successors and permitted assigns;
 - (h) **dollars, Australian dollars, A\$ or \$** is a reference to the lawful currency of Australia; and
 - (i) time is a reference to Australian Eastern Standard Time (AEST);

- (2) if a period of time dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (3) if an act must be done on a given day which is not a Business Day, it must be done instead on the next Business Day;
- (4) the words **include, including, for example** or **such as** when introducing an example, do not limit the meaning of the words to which the example relates to the example or to examples of a similar kind;
- (5) where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have a corresponding meaning;
- (6) headings and any index are for convenience only and do not form part of these Rules or affect their interpretation; and
- (7) a provision of these Rules must not be construed to the disadvantage of a Party merely because that Party was responsible for the preparation of these Rules.

2. Participation in the Plan by Eligible Employees

- 2.1 Participation in the Plan is open to those Eligible Employees invited by the Directors, at the Directors discretion, to participate and who have executed an Offer Document.

3. Nature of Options Granted

- 3.1 The Options granted under the Plan will be options to purchase fully paid ordinary shares in Sienna.
- 3.2 The Options are granted subject to these Rules and the Conditions.
- 3.3 The Options may be exercised on payment of the Exercise Price by the Holder as permitted under these Rules and the Conditions.

4. Options

4.1 Offer Document

- (1) Options are offered by way of an Offer Document.
- (2) The Directors may from time to time issue an Offer Document to an Eligible Employee. This Offer Document will specify:
 - (a) the number of Options offered;
 - (b) the Exercise Price for the Options;
 - (c) the date by which the offer must be accepted; and

- (d) the Conditions that attach to the Options.

A single Offer Document may specify a number of Options and the Exercise Price and other Conditions may vary between Options offered under a single Offer Document.

4.2 Acceptance of Offer

- (1) Unless otherwise specified in the Offer Document, the Eligible Employee may accept the offer by signing the Offer Document and returning it to Sienna. The Offer Document is binding upon Sienna and the relevant Options granted only after the Offer Document has been received by Sienna.

- (2) **Eligible Nominee**

An Eligible Employee may at acceptance direct Sienna to issue the Options to an Eligible Nominee of the Eligible Employee and Sienna must comply with such a request.

4.3 Issue of Options

As soon as practicable after receiving a signed Offer Document Sienna will grant the Options set out in the Offer Document.

5. Options Conditions

- 5.1 The Directors may determine that certain terms conditions will attach to an Option. These Conditions will be specified in the Offer Document.

- 5.2 If not specified to the contrary in the Offer Document, the following Conditions apply:

- (1) the Option is granted for Nil consideration;
- (2) the Exercise Price is the greater of the weighted average price at which ordinary shares in Sienna have traded on the ASX over the 30 days before the date on which the Option is granted and \$0.20. Where Sienna is not a listed public company, the Directors will, on written application, provide the Participant with the current market price for the purpose of this Plan;
- (3) the Option will be granted to the Holder immediately upon acceptance of the Offer Document;
- (4) the Option will vest in the Holder within two years of the Grant Date.
- (5) the Option is exercisable immediately upon vesting;
- (6) the Option expires 5 years after vesting if it is not exercised or does not lapse earlier pursuant to these Rules;
- (7) the Option must be exercised in accordance with clause 6;

- (8) no financial assistance is available in respect of the acquisition or exercise of the Option; and
- (9) where the exercise of an Option would result in the Participant together with their related entities being entitled (if all Options held by such entities are accepted and exercised) to more than 5% of the share capital of Sienna currently on issue, Sienna can, in its sole discretion, refuse the exercise of that Option.

5.3 General Limitations

- (1) The Exercise Price must not be less than \$0.01.
- (2) The sum of all unexpired Options issued under this Plan may not at any time exceed 15% of the issued share capital of Sienna.

6. Exercise

- 6.1 The Options may only be exercised in accordance with the Conditions.
- 6.2 A Holder may exercise all or part of the Options.
- 6.3 A Holder may exercise an Option by giving to Sienna an executed Exercise Notice, together with a bank cheque (or such other form of payment as may be agreed to by Sienna) for an amount being the sum of the Exercise Prices for all shares that are the subject of the Option(s) being exercised.
- 6.4 On receipt of an Exercise Notice and clearance of the full payment amount for the Options, subject to clause 6.5, Sienna must promptly:
 - (1) issue an ordinary share for every option exercised and allot them to the Holder;
 - (2) enter the Holder on the Register as the owner of the ordinary shares; and
 - (3) issue to the Holder a shareholder statement that incorporates the ordinary shares issued from the exercise of options.
- 6.5 While Sienna is listed on the ASX, Option holders may not exercise options during blackout trading periods determined by the Board from time to time.
- 6.6 A Holder will have no interest in any shares issued as a result of exercising options unless and until that share is allotted to that Holder as a result of the exercise of the relevant Option.
- 6.7 Shares allotted as a consequence of the exercise of Options shall, from the date of allotment, rank equally with all other issued shares of the same class.
- 6.8 The Holder of an Option is not entitled to participate in new issues without exercising the Option.

7. Expiry of Options

- 7.1 An Option expires and all rights of a Holder in respect of that Option lapse if the Option is not exercised prior to its expiry date, as specified in the Offer Document or otherwise determined pursuant to clause 5.2(6).
- 7.2 If not specified to the contrary in the Offer Document, a Holder's vested Options will expire 60 days after the date on which that Holder, or in the case where the Options are held by an Eligible Nominee, the Eligible Employee who nominated that Eligible Nominee, ceases to be an Eligible Employee for any reason other than death or retirement upon achievement of customary retirement age or for reasons of mental incapacity or permanent medical disability preventing employment.
- 7.3 If not specified to the contrary in the Offer Document, a Holder's rights to any unvested Options under this Plan will expire on the date on which that Holder, or in the case where the Options are held by an Eligible Nominee, the Eligible Employee who nominated that Eligible Nominee, ceases to be an Eligible Employee for any reason.
- 7.4 For the purpose of this clause 7, where a payment is made to an Eligible Employee in lieu of notice, that person will cease to be an Eligible Employee on the date immediately preceding the first date to which such payment relates.

8. Reconstruction of Capital

- 8.1 If there is a reorganisation of the capital of Sienna, the Options will be treated as follows:
 - (1) in a consolidation of capital, the number of Options held by a Holder will be consolidated in the same ratio as the ordinary capital and the Exercise Price will be amended in inverse proportion to that ratio;
 - (2) in a sub-division of capital, the number of Options held by a Holder will be sub-divided in the same ratio as the ordinary capital and the Exercise Price will be amended in inverse proportion to that ratio;
 - (3) in a return of capital, the number of Options held by a Holder will remain the same, and the Exercise Price will be reduced by the same amount as the amount returned in relation to each ordinary security;
 - (4) in a reduction of capital by a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled, the number of Options held by a Holder and the Exercise Price will remain unaltered;
 - (5) in a pro-rata cancellation of capital, the number of Options held by a Holder will be reduced in the same ratio as the ordinary capital and the Exercise Price will be amended in inverse proportion to that ratio; and

- (6) in any other case, the number of Options held by a Holder, or the Exercise Price, or both, will be recognised so that the Holder will not receive a benefit that holders of ordinary securities do not receive. This rule does not prevent a rounding up of the number of securities to be received on exercise if the rounding up is approved at the shareholders meeting which approves the reorganisation.
- 8.2 If any adjustment made pursuant to clause 8.1 results in the Holder being entitled to a fraction of a share, the fraction shall be disregarded.
- 8.3 Where a re-organisation of the capital of Sienna occurs and the number of Options, or the Exercise Price, or both, are varied pursuant to clause 8.1 in respect of any Holder, that Holder will be issued with a new Offer Document specifying the new details of the Options held by that Holder. Upon issue of the new Offer Document, the original Offer Document will be automatically cancelled, without the need for further action or notice.
- 8.4 While Sienna is listed on the ASX, the terms of the Options will be changed to the extent necessary to comply with the Australian Stock Exchange Listing Rules applying to a re-organisation of Sienna's capital at the time of the re-organisation.
- 8.5 Unless otherwise defined, the words and expressions in this clause 8.1, will have the meaning ascribed to them under the Australian Stock Exchange Listing Rules in effect as at the date of establishment of this Plan.

9. Limitations on transfer

- 9.1 Options may not be transferred or assigned otherwise than as follows: -
 - (1) a legal personal representative of a Holder who has died or whose estate is liable to be dealt with under laws relating to mental health will be entitled to be registered as the Holder of those Options after the production to the Directors of such documents or other evidence as the Directors may reasonably require to establish that entitlement;
 - (2) a Holder who is an Eligible Employee may transfer their Options to an Eligible Nominee; and
 - (3) a Holder who is an Eligible Nominee is permitted to transfer its Options to the Eligible Employee who nominated the Holder or to any other Eligible Nominee of that Eligible Employee.

10. Notices

- 10.1 A notice or other communication connected with this Agreement (**Notice**) has no legal effect unless it is in writing.

10.2 A Notice must be:

- (1) sent by prepaid post to the address for service of the addressee, if the address is in Australia and the Notice is sent from within Australia;
- (2) sent by prepaid airmail to the address for service of the addressee, if the address is outside Australia or if the Notice is sent from outside Australia;
- (3) sent by facsimile to the facsimile number of the addressee; or
- (4) delivered at the address for service of the addressee.

10.3 If a Notice is sent or delivered in a manner provided by clause 10.2, it must be treated as given to and received by the Party to which it is addressed:

- (1) if sent by post from within Australia to an address in Australia, on the 6th Business Day (at the address to which it is posted) after posting;
- (2) if sent by post to an address outside Australia or sent by post from outside Australia, on the 10th Business Day (at the address to which it is posted) after posting;
- (3) if sent by facsimile before 5 p.m. on a Business Day at the place of receipt, on the day it is sent and otherwise on the next Business Day at the place of receipt; or
- (4) if otherwise delivered before 5 p.m. on a Business Day at the place of delivery, upon delivery, and otherwise on the next Business Day at the place of delivery.

10.4 Despite clause 10.3(3):

- (1) a Notice sent by facsimile is not treated as given or received unless at the end of the transmission the sender's facsimile machine issues a report confirming the transmission of the number of pages in the Notice; and
- (2) a Notice sent by facsimile is not treated as given or received if it is not received in full and in legible form and the addressee notifies the sender of that fact within 3 hours after the transmission ends or by 12 noon on the Business Day on which it would otherwise be treated as given and received, whichever is later.

10.5 Sienna's details for service are:

Name: The Company Secretary
Address: Sienna Cancer Diagnostics Ltd
1 Dalmore Drive
Scoresby, VIC 3179

Facsimile No.: +61 3 8288 2059

- 10.6 A Participant's details for service are those set out in the Offer Document.
- 10.7 A Party may change its details for service by giving Notice of that change to each other Party.
- 10.8 If the Party to which a Notice is intended to be given consists of more than 1 person then the Notice must be treated as given to that Party if given to any of those persons.

11. General

11.1 Variation

The Directors may, from time to time add to or vary these Rules provided that the additions or variations do not reduce a Participants' rights or entitlements in respect of any Option granted before the date of alteration or addition unless prior written approval is obtained from the affected Participant.

11.2 Severability

If anything in these Rules is unenforceable, illegal or void then it is severed and the rest of these Rules remains in force.

11.3 Entire Understanding

These Rules:

- (1) are the entire understanding between the Participants and Sienna on everything connected with the subject matter of these Rules; and
- (2) supersede any prior agreement or understanding between the Participants and Sienna on anything connected with that subject matter.

11.4 Waivers and Consents

Except as expressly stated in these Rules, Sienna and each Participant acknowledge that:

- (1) a waiver or consent under these Rules is not effective unless it is in writing and signed by the Parties entitled to give the waiver or consent;
- (2) a waiver or consent may be given conditionally or unconditionally or withheld at the absolute discretion of the person entitled to give the waiver or consent;
- (3) a waiver of a power or right or the giving of consent is effective only in respect of the specific instance to which it relates and for the specific purpose for which it is given;
- (4) a failure or delay to exercise a power or right does not operate as a waiver of that power or right; and

- (5) the exercise of a power or right does not preclude either its exercise in the future or the exercise of any other power or right.

11.5 No right of set-off

Except as expressly stated in these Rules, a Participant or Holder has no right of set-off against a payment due to Sienna.

12. Governing Law and Jurisdiction

12.1 Governing Law

The law of Victoria governs these Rules.

12.2 Jurisdiction

The Participants, Holders and Sienna submit to the non-exclusive jurisdiction of the courts of Victoria and any courts which are entitled to hear appeals from them.

**Schedule 1
Exercise Notice**

Clause 1.1(7)

Sienna Cancer Diagnostics Limited

ACN 099 803 460

Employee Share Option Plan

Exercise Notice of Options

Option holder's Full Name:	
Option holder's Residential Address:	
Number of Options Exercised	
Exercise Price of Options	
Total Value of Exercised Options	

I, the Option holder, hereby exercise [**specify number**] of the options held to acquire [**specify number**] ordinary shares in the capital of Sienna Cancer Diagnostics Limited.

I have transferred the sum of \$. into Sienna's bank account (BSB:062 000, Account: 1109 2189, Account Name: Sienna Cancer Diagnostics Limited).

I agree that on issue of these shares, I will be bound by the terms of the Constitution of Sienna Cancer Diagnostics Limited.

Date:

Signature: