

22 September 2020

Manager, Company Announcements  
ASX Limited  
Level 4  
20 Bridge Street  
SYDNEY NSW 2000

## Via E-Lodgement

Dear Sir/Madam

### **Mayne Pharma Group Limited** **Issue of New Employee Options and Performance Rights and Appendix 3G**

We wish to advise that Mayne Pharma has issued:

- 11,695,841 unlisted Options with an exercise price of \$0.3309; and
- 13,315,161 unlisted Performance Rights with a nil exercise price

both with an expiry date of 30 September 2025, pursuant to the Company's Employee Performance Right and Option Plan as outlined in the attached Appendix 3G.

This issue of Options and Performance Rights has been made to 84 members of the US and Australian management team with all participants receiving Performance Rights and select members of the US executive team also receiving Options.

Following a review of the long-term incentive program by the Board and an independent remuneration consultant - PwC, the following two key changes have been made to all of the long-term incentive grants in FY21:

#### **Increase in the Total Shareholder Return (TSR) hurdles**

The compound annual absolute TSR growth rate required for LTI instruments to vest has increased to 8% for minimum vesting (previously 5%) and 15% for maximum vesting (previously 10%). These hurdle rates continuously increase over the 5-year period as outlined in the table below at 8% and 15% TSR:

Required growth rate	Year 1	Year 2	Year 3	Year 4	Year 5
Minimum vesting (8% TSR)	+8% from base year	+17% from base year	+26% from base year	+36% from base year	+47% from base year
Maximum vesting (15% TSR)	+15% from base year	+32% from base year	+52% from base year	+75% from base year	+101% from base year

#### **Reduction in the proportion of LTI instruments that vest at the minimum performance hurdle**

If performance conditions are met, vesting can occur over a period of up to five years with 20% of the grant eligible for vesting 1 year after the base test date, 30% eligible for vesting 2 years after the base test date and the balance eligible for vesting 3 years after the base test date, subject to achievement of the vesting conditions. Achievement of the minimum performance hurdle (8% TSR CAGR) results in 20% of a tranche



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vesting. Achievement of the maximum performance hurdle (15% TSR CAGR) results in 100% of a tranche vesting. Vesting will occur on a straight-line basis for performance between these two points.

This announcement was authorised for release by the Chairman.

Yours faithfully,  
Mayne Pharma Group Limited

A handwritten signature in black ink, appearing to read "Laura Loftus".

Laura Loftus  
Company Secretary

## Appendix 3G

### Notification of issue, conversion or payment up of equity +securities

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

If you are an entity incorporated outside Australia and you are issuing a new class of +securities other than CDIs, you will need to obtain and provide an International Securities Identification Number (ISIN) for that class. Further information on the requirement for the notification of an ISIN is available from the Create Online Forms page. ASX is unable to create the new ISIN for non-Australian issuers.

\*Denotes minimum information required for first lodgement of this form, with exceptions provided in specific notes for certain questions. The balance of the information, where applicable, must be provided as soon as reasonably practicable by the entity.

#### Part 1 – Entity and announcement details

Question no	Question	Answer
1.1	*Name of entity <i>We (the entity here named) give notice of the issue, conversion or payment up of the following unquoted +securities.</i>	Mayne Pharma Group Limited
1.2	*Registration type and number <i>Please supply your ABN, ARSN, ARBN, ACN or another registration type and number (if you supply another registration type, please specify both the type of registration and the registration number).</i>	ABN – 76 115 832 963
1.3	*ASX issuer code	MYX
1.4	*This announcement is <i>Tick whichever is applicable.</i>	<input checked="" type="checkbox"/> A new announcement <input type="checkbox"/> An update/amendment to a previous announcement <input type="checkbox"/> A cancellation of a previous announcement
1.4a	*Reason for update <i>Mandatory only if "Update" ticked in Q1.4 above. A reason must be provided for an update.</i>	N/A
1.4b	*Date of previous announcement to this update <i>Mandatory only if "Update" ticked in Q1.4 above.</i>	N/A
1.4c	*Reason for cancellation <i>Mandatory only if "Cancellation" ticked in Q1.4 above.</i>	N/A
1.4d	*Date of previous announcement to this cancellation <i>Mandatory only if "Cancellation" ticked in Q1.4 above.</i>	N/A
1.5	*Date of this announcement	22 September 2020

## Part 2 – Type of issue

Question No.	Question	Answer
2.1	<p>*The +securities the subject of this notification are:</p> <p><i>Select whichever item is applicable.</i></p> <p><i>If you wish to notify ASX of different types of issues of securities, please complete a separate Appendix 3G for each type of issue.</i></p>	<p><input type="checkbox"/> +Securities issued as a result of options being exercised or other +convertible +securities being converted and that are not to be quoted on ASX</p> <p><input type="checkbox"/> Partly paid +securities that have been fully paid up and that are not to be quoted on ASX</p> <p><input checked="" type="checkbox"/> +Securities issued under an +employee incentive scheme that are not being immediately quoted on ASX</p> <p><input type="checkbox"/> Other [please specify]</p> <p><i>If you have selected 'other' please provide the circumstances of the issue here:</i></p>
2.2a.1	<p>Please state the number and type of options that were exercised or other +convertible securities that were converted (including their ASX security code if available)?</p> <p><i>Answer this question if your response to Q2.1 is "securities issued as a result of options being exercised or other convertible securities being converted and that are not to be quoted on ASX".</i></p>	N/A
2.2a.2	<p>And the date the options were exercised or other +convertible securities were converted:</p> <p><i>Answer this question if your response to Q2.1 is "securities issued as a result of options being exercised or other convertible securities being converted and that are not to be quoted on ASX".</i></p> <p><i>Note: If this occurred over a range of dates, enter the date the last of the options was exercised or convertible securities was converted.</i></p>	N/A
2.2b.1	<p>Please state the number and type of partly paid +securities that were fully paid up (including their ASX security code if available)?</p> <p><i>Answer this question if your response to Q2.1 is "partly paid securities that have been paid up and that are not to be quoted on ASX".</i></p>	N/A
2.2b.2	<p>And the date the +securities were fully paid up:</p> <p><i>Answer this question if your response to Q2.1 is "partly paid securities that have been paid up and that are not to be quoted on ASX".</i></p> <p><i>Note: If this occurred over a range of dates, enter the date the last of the securities was fully paid up.</i></p>	N/A

2.2c.1	<p>Please state the number and type of +securities (including their ASX security code) issued under an +employee incentive scheme that are not being immediately quoted on ASX</p> <p><i>Answer this question if your response to Q2.1 is "securities issued under an employee incentive scheme that are not being immediately quoted on ASX".</i></p>	<p>11,695,841 MYX Options and 13,315,161 MYX Performance Rights granted under Mayne Pharma's Employee Performance Rights and Option Plan</p>						
2.2c.2	<p>*Please attach a document or provide details of a URL link for a document lodged with ASX detailing the terms of the +employee incentive scheme or a summary of the terms.</p> <p><i>Answer this question if your response to Q2.1 is "securities issued under an employee incentive scheme that are not being immediately quoted on ASX".</i></p>	<p>Each Option and Performance Right is an entitlement to receive one fully paid ordinary share in Mayne Pharma Group Limited, subject to meeting vesting conditions.</p> <p>See attached Mayne Pharma Employee Performance Rights and Option Plan Rules and refer to section 3B.6 below for the summary of material terms.</p>						
2.2c.3	<p>*Are any of these +securities being issued to +key management personnel (KMP) or an +associate</p> <p><i>Answer this question if your response to Q2.1 is "securities issued under an employee incentive scheme that are not being immediately quoted on ASX".</i></p>	<p>Yes</p>						
2.2c.3.a	<p>*Provide details of the recipients and the number of +securities issued to each of them.</p> <p><i>Answer this question if your response to Q2.1 is "securities issued under an employee incentive scheme that are not being immediately quoted on ASX" and your response to Q2.2c.3 is "Yes". Repeat the detail in the table below for each KMP involved in the issue. If the securities are being issued to the KMP, repeat the name of the KMP or insert "Same" in "Name of registered holder". If the securities are being issued to an associate of a KMP, insert the name of the associate in "Name of registered holder".</i></p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 33%;">Name of KMP</th><th style="width: 33%;">Name of registered holder</th><th style="width: 34%;">Number of +securities</th></tr> </thead> <tbody> <tr> <td>Peter Paltoglou</td><td>Peter Paltoglou</td><td>341,674 Rights</td></tr> </tbody> </table>		Name of KMP	Name of registered holder	Number of +securities	Peter Paltoglou	Peter Paltoglou	341,674 Rights
Name of KMP	Name of registered holder	Number of +securities						
Peter Paltoglou	Peter Paltoglou	341,674 Rights						
2.2d.1	<p>*The purpose(s) for which the entity is issuing the +securities is:</p> <p><i>Answer this question if your response to Q2.1 is "Other".</i></p> <p><i>You may select one or more of the items in the list.</i></p>	<div style="display: flex; flex-direction: column; gap: 10px;"> <div><input type="checkbox"/> To raise additional working capital</div> <div><input type="checkbox"/> To fund the retirement of debt</div> <div><input type="checkbox"/> To pay for the acquisition of an asset [provide details below]</div> <div><input type="checkbox"/> To pay for services rendered [provide details below]</div> <div><input type="checkbox"/> Other [provide details below]</div> </div> <p><i>Additional details:</i></p>						

2.2d.2	Please provide any further information needed to understand the circumstances in which you are notifying the issue of these +securities to ASX, including (if applicable) why the issue of the +securities has not been previously announced to the market in an Appendix 3B <i>You must answer this question if your response to Q2.1 is "Other". If there is no other information to provide, please answer "Not applicable" or "N/A".</i>	N/A
2.3	*The +securities being issued are: <i>Tick whichever is applicable</i>	<input checked="" type="checkbox"/> Additional +securities in an existing unquoted class that is already recorded by ASX ("existing class") <input checked="" type="checkbox"/> New +securities in an unquoted class that is not yet recorded by ASX ("new class")

## Part 3A – number and type of +securities being issued (existing class)

Answer the questions in this part if your response to Q2.3 is "existing class".

Question No.	Question	Answer
3A.1	*ASX security code & description	Each Right is a right to receive one ordinary fully paid share in MYX subject to meeting vesting conditions as outlined in section 3B.6
3A.2	*Number of +securities being issued	13,315,161
3A.3a	*Will the +securities being issued rank equally in all respects from their issue date with the existing issued +securities in that class?	Yes
3A.3b	*Is the actual date from which the +securities will rank equally (non-ranking end date) known? <i>Answer this question if your response to Q3A.3a is "No".</i>	N/A
3A.3c	*Provide the actual non-ranking end date <i>Answer this question if your response to Q3A.3a is "No" and your response to Q3A.3b is "Yes".</i>	N/A
3A.3d	*Provide the estimated non-ranking end period <i>Answer this question if your response to Q3A.3a is "No" and your response to Q3A.3b is "No".</i>	N/A

3A.3e	<p>*Please state the extent to which the +securities do not rank equally:</p> <ul style="list-style-type: none"> <li>in relation to the next dividend, distribution or interest payment; or</li> <li>for any other reason</li> </ul> <p>Answer this question if your response to Q3A.3a is "No".</p> <p>For example, the securities may not rank at all, or may rank proportionately based on the percentage of the period in question they have been on issue, for the next dividend, distribution or interest payment; or they may not be entitled to participate in some other event, such as an entitlement issue.</p>	N/A
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## Part 3B – number and type of +securities being issued (new class)

Answer the questions in this part if your response to Q2.3 is "new class".

Question No.	Question	Answer
3B.1	*Security description	Options exercisable at \$0.3309 into one ordinary fully paid share in MYX subject to the vesting schedule and achieving the TSR hurdles as outlined in section 3B.6
3B.2	<p>*Security type</p> <p>Select one item from the list that best describes the securities the subject of this form. This will determine more detailed questions to be asked about the security later in this section. Select "ordinary fully or partly paid shares/units" for stapled securities or CDIs. For interest rate securities, please select the appropriate choice from either "Convertible debt securities" or "Non-convertible debt securities". Select "Other" for performance shares/units and performance options/rights or if the selections available in the list do not appropriately describe the security being issued.</p>	<input type="checkbox"/> Ordinary fully or partly paid shares/units <input checked="" type="checkbox"/> Options <input type="checkbox"/> +Convertible debt securities <input type="checkbox"/> Non-convertible +debt securities <input type="checkbox"/> Redeemable preference shares/units <input type="checkbox"/> Other
3B.3	<p>ISIN code</p> <p>Answer this question if you are an entity incorporated outside Australia and you are issuing a new class of securities other than CDIs. See also the note at the top of this form.</p>	N/A
3B.4	*Number of +securities being issued	11,695,841
3B.5a	*Will all the +securities issued in this class rank equally in all respects from the issue date?	Yes
3B.5b	<p>*Is the actual date from which the +securities will rank equally (non-ranking end date) known?</p> <p>Answer this question if your response to Q3B.5a is "No".</p>	N/A
3B.5c	<p>*Provide the actual non-ranking end date</p> <p>Answer this question if your response to Q3B.5a is "No" and your response to Q3B.5b is "Yes".</p>	N/A
3B.5d	<p>*Provide the estimated non-ranking end period</p> <p>Answer this question if your response to Q3B.5a is "No" and your response to Q3B.5b is "No".</p>	N/A

3B.5e	<p>*Please state the extent to which the +securities do not rank equally:</p> <ul style="list-style-type: none"><li>• in relation to the next dividend, distribution or interest payment; or</li><li>• for any other reason</li></ul> <p><i>Answer this question if your response to Q3B.5a is "No".</i></p> <p><i>For example, the securities may not rank at all, or may rank proportionately based on the percentage of the period in question they have been on issue, for the next dividend, distribution or interest payment; or they may not be entitled to participate in some other event, such as an entitlement issue.</i></p>	N/A
3B.6	<p>Please attach a document or provide a URL link for a document lodged with ASX setting out the material terms of the +securities being issued</p> <p><i>You may cross reference a disclosure document, PDS, information memorandum, investor presentation or other announcement with this information provided it has been released to the ASX Market Announcements Platform.</i></p>	See attached Mayne Pharma Employee Performance Rights and Option Plan Rules and the summary below of the material terms of the Options being issued
<p>Summary of Material Terms (applies to both Options / Rights)</p> <ul style="list-style-type: none"><li>- Options/Rights are eligible for vesting over a period of up to five years from the date of the grant, subject to achievement of specific vesting condition hurdles.</li><li>- 20% of the grant eligible for vesting 1 year after the base test date, 30% eligible for vesting 2 years after the base test date and the balance eligible for vesting 3 years after the base test date, subject to achievement of the vesting conditions.</li><li>- The number / proportion of Options/Rights that vest is based on the absolute Total Shareholder Return (TSR) over the period with 20% vesting if a TSR Compound Annual Growth (CAGR) of 8% is achieved, rising to 100% vesting for achievement of a TSR CAGR of 15%. Vesting will occur on a straight-line basis for performance between these two points.</li><li>- If CAGR performance conditions are met, vesting occurs progressively and at continuously increasing hurdles.</li><li>- Vesting can occur six monthly in years 4 and 5 from the base test date but the TSR vesting condition continues to compound in years 4 and 5.</li><li>- The base test date for Options/Rights is set as 1 September 2020 and the expiry date is 30 September 2025.</li><li>- If the Options/Rights are not exercised before the expiry date they will automatically lapse.</li><li>- There are no voting rights or rights to dividends whilst the participant holds an Option/Right.</li><li>- Treatment of unvested Options/Rights on cessation of employment depends on a range of factors, such as tenure and reason for departure. If the participant is deemed a 'Good Leaver' by the Board, then they would retain unvested Options subject to the original terms and conditions of the award including testing and expiration dates.</li></ul>		



3B.7	<p>*Have you received confirmation from ASX that the terms of the +securities are appropriate and equitable under listing rule 6.1?</p> <p><i>Answer this question only if you are an ASX Listing. (ASX Foreign Exempt Listings and ASX Debt Listings do not have to answer this question).</i></p> <p><i>If your response is "No" and the securities have any unusual terms, you should approach ASX as soon as possible for confirmation under listing rule 6.1 that the terms are appropriate and equitable.</i></p>	No
3B.8a	<p><b>Ordinary fully or partly paid shares/units details</b></p> <p><i>Answer the questions in this section if you selected this security type in your response to Question 3B.2.</i></p>	
	<p>*+Security currency</p> <p><i>This is the currency in which the face amount of an issue is denominated. It will also typically be the currency in which distributions are declared.</i></p>	N/A
	<p>*Will there be CDIs issued over the +securities?</p>	N/A
	<p>*CDI ratio</p> <p><i>Answer this question if you answered "Yes" to the previous question. This is the ratio at which CDIs can be transmuted into the underlying security (e.g. 4:1 means 4 CDIs represent 1 underlying security whereas 1:4 means 1 CDI represents 4 underlying securities).</i></p>	N/A
	<p>*Is it a partly paid class of +security?</p>	N/A
	<p>*Paid up amount: unpaid amount</p> <p><i>Answer this question if answered "Yes" to the previous question.</i></p> <p><i>The paid up amount represents the amount of application money and/or calls which have been paid on any security considered 'partly paid'</i></p> <p><i>The unpaid amount represents the unpaid or yet to be called amount on any security considered 'partly paid'.</i></p> <p><i>The amounts should be provided per the security currency (e.g. if the security currency is AUD, then the paid up and unpaid amount per security in AUD).</i></p>	N/A
	<p>*Is it a stapled +security?</p> <p><i>This is a security class that comprises a number of ordinary shares and/or ordinary units issued by separate entities that are stapled together for the purposes of trading.</i></p>	N/A
3B.8b	<p><b>Option details</b></p> <p><i>Answer the questions in this section if you selected this security type in your response to Question 3B.2.</i></p>	
	<p>*+Security currency</p> <p><i>This is the currency in which the exercise price is payable.</i></p>	AUD
	<p>*Exercise price</p> <p><i>The price at which each option can be exercised and convert into the underlying security. If there is no exercise price please answer as \$0.00.</i></p> <p><i>The exercise price should be provided per the security currency (i.e. if the security currency is AUD, the exercise price should be expressed in AUD).</i></p>	A\$0.3309
	<p>*Expiry date</p> <p><i>The date on which the options expire or terminate.</i></p>	30 September 2025

	<p>*Details of the number and type of +security (including its ASX security code if the +security is quoted on or recorded by ASX) that will be issued if an option is exercised</p> <p><i>For example, if the option can be exercised to receive one fully paid ordinary share with ASX security code ABC, please insert "One fully paid ordinary share (ASX:ABC)".</i></p>	One fully paid ordinary MYX share
3B.8c	<p><b>Details of non-convertible +debt securities, +convertible debt securities, or redeemable preference shares/units</b></p> <p><i>Answer the questions in this section if you selected one of these security types in your response to Question 3B.2.</i></p> <p><i>Refer to Guidance Note 34 and the "Guide to the Naming Conventions and Security Descriptions for ASX Quoted Debt and Hybrid Securities" for further information on certain terms used in this section</i></p>	
	<p><b>*Type of +security</b></p> <p><i>Select one item from the list</i></p>	<input type="checkbox"/> Simple corporate bond <input type="checkbox"/> Non-convertible note or bond <input type="checkbox"/> Convertible note or bond <input type="checkbox"/> Preference share/unit <input type="checkbox"/> Capital note <input type="checkbox"/> Hybrid security <input type="checkbox"/> Other
	<p><b>*+Security currency</b></p> <p><i>This is the currency in which the face value of the security is denominated. It will also typically be the currency in which interest or distributions are paid.</i></p>	N/A
	<p><b>Face value</b></p> <p><i>This is the principal amount of each security.</i></p> <p><i>The face value should be provided per the security currency (i.e. if security currency is AUD, then the face value per security in AUD).</i></p>	N/A
	<p><b>*Interest rate type</b></p> <p><i>Select one item from the list</i></p> <p><i>Select the appropriate interest rate type per the terms of the security. Definitions for each type are provided in the Guide to the Naming Conventions and Security Descriptions for ASX Quoted Debt and Hybrid Securities</i></p>	<input type="checkbox"/> Fixed rate <input type="checkbox"/> Floating rate <input type="checkbox"/> Indexed rate <input type="checkbox"/> Variable rate <input type="checkbox"/> Zero coupon/no interest <input type="checkbox"/> Other
	<p><b>Frequency of coupon/interest payments per year</b></p> <p><i>Select one item from the list.</i></p>	<input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-annual <input type="checkbox"/> Annual <input type="checkbox"/> No coupon/interest payments <input type="checkbox"/> Other
	<p><b>First interest payment date</b></p> <p><i>A response is not required if you have selected "No coupon/interest payments" in response to the question above on the frequency of coupon/interest payments</i></p>	N/A
	<p><b>Interest rate per annum</b></p> <p><i>Answer this question if the interest rate type is fixed.</i></p>	N/A

	<p>*Is the interest rate per annum estimated at this time?</p> <p><i>Answer this question if the interest rate type is fixed.</i></p>	N/A
	<p>If the interest rate per annum is estimated, then what is the date for this information to be announced to the market (if known)</p> <p><i>Answer this question if the interest rate type is fixed and your response to the previous question is "Yes".</i> <i>Answer "Unknown" if the date is not known at this time.</i></p>	N/A
	<p>*Does the interest rate include a reference rate, base rate or market rate (e.g. BBSW or CPI)?</p> <p><i>Answer this question if the interest rate type is floating or indexed</i></p>	N/A
	<p>*What is the reference rate, base rate or market rate?</p> <p><i>Answer this question if the interest rate type is floating or indexed and your response to the previous question is "Yes".</i></p>	N/A
	<p>*Does the interest rate include a margin above the reference rate, base rate or market rate?</p> <p><i>Answer this question if the interest rate type is floating or indexed.</i></p>	N/A
	<p>*What is the margin above the reference rate, base rate or market rate (expressed as a percent per annum)</p> <p><i>Answer this question if the interest rate type is floating or indexed and your response to the previous question is "Yes".</i></p>	N/A
	<p>*S128F of the Income Tax Assessment Act status applicable to the +security</p> <p><i>Select one item from the list</i></p> <p><i>For financial products which are likely to give rise to a payment to which s128F of the Income Tax Assessment Act applies, ASX requests issuers to confirm the s128F status of the security:</i></p> <ul style="list-style-type: none"> <li>• "s128F exempt" means interest payments are not taxable to non-residents;</li> <li>• "Not s128F exempt" means interest payments are taxable to non-residents;</li> <li>• "s128F exemption status unknown" means the issuer is unable to advise the status;</li> <li>• "Not applicable" means s128F is not applicable to this security</li> </ul>	<input type="checkbox"/> s128F exempt <input type="checkbox"/> Not s128F exempt <input type="checkbox"/> s128F exemption status unknown <input type="checkbox"/> Not applicable
	<p>*Is the +security perpetual (i.e. no maturity date)?</p>	N/A
	<p>*Maturity date</p> <p><i>Answer this question if the security is not perpetual</i></p>	N/A

	<p>*Select other features applicable to the +security</p> <p><i>Up to 4 features can be selected. Further information is available in the Guide to the Naming Conventions and Security Descriptions for ASX Quoted Debt and Hybrid Securities.</i></p>	<input type="checkbox"/> Simple <input type="checkbox"/> Subordinated <input type="checkbox"/> Secured <input type="checkbox"/> Converting <input type="checkbox"/> Convertible <input type="checkbox"/> Transformable <input type="checkbox"/> Exchangeable <input type="checkbox"/> Cumulative <input type="checkbox"/> Non-Cumulative <input type="checkbox"/> Redeemable <input type="checkbox"/> Extendable <input type="checkbox"/> Reset <input type="checkbox"/> Step-Down <input type="checkbox"/> Step-Up <input type="checkbox"/> Stapled <input type="checkbox"/> None of the above
	<p>*Is there a first trigger date on which a right of conversion, redemption, call or put can be exercised (whichever is first)?</p>	N/A
	<p>*If yes, what is the first trigger date</p> <p><i>Answer this question if your response to the previous question is "Yes".</i></p>	N/A
	<p>Details of the number and type of +security (including its ASX security code if the +security is quoted on ASX) that will be issued if the securities to be quoted are converted, transformed or exchanged</p> <p><i>Answer this question if the security features include "converting", "convertible", "transformable" or "exchangeable".</i></p> <p><i>For example, if the security can be converted into 1,000 fully paid ordinary shares with ASX security code ABC, please insert "1,000 fully paid ordinary shares (ASX:ABC)".</i></p>	N/A

## Part 4 – Issue details

Question No.	Question	Answer
4.1	*Have the +securities been issued yet?	Yes
4.1a	*What was their date of issue? <i>Answer this question if your response to Q4.1 is "Yes".</i>	22 September 2020
4.1b	*What is their proposed date of issue? <i>Answer this question if your response to Q4.1 is "No".</i>	N/A
4.2	*Are the +securities being issued for a cash consideration? <i>If the securities are being issued for nil cash consideration, answer this question "No".</i>	No

4.2a	<p>*In what currency is the cash consideration being paid</p> <p><i>For example, if the consideration is being paid in Australian Dollars, state AUD.</i></p> <p><i>Answer this question if your response to Q4.2 is "Yes".</i></p>	N/A
4.2b	<p>*What is the issue price per +security</p> <p><i>Answer this question if your response to Q4.2 is "Yes" and by reference to the issue currency provided in your response to Q4.2a.</i></p> <p><i>Note: you cannot enter a nil amount here. If the securities are being issued for nil cash consideration, answer Q4.2 as "No" and complete Q4.2c.</i></p>	N/A
4.2c	<p>Please describe the consideration being provided for the +securities</p> <p><i>Answer this question if your response to Q4.2 is "No".</i></p>	Rights and Options are issued for nil consideration as part of Mayne Pharma's long term incentive program.
4.3	Any other information the entity wishes to provide about the issue	N/A

## Part 5 – Unquoted +securities on issue

Following the issue of the +securities the subject of this application, the unquoted issued +securities of the entity will comprise:

*Note: the figures provided in the table in section 5.1 below are used to calculate part of the total market capitalisation of the entity published by ASX from time to time. Please make sure you include in the table each class of unquoted securities issued by the entity.*

*Restricted securities should be included in table 5.1.*

5.1	<table><tr><th>*ASX security code and description</th><th>*Total number of +securities on issue</th></tr><tr><td>MYX Performance Rights with expiry date 30 September 2024</td><td>15,285,101</td></tr><tr><td>MYX Performance Rights with expiry date 30 September 2025</td><td>13,315,161</td></tr><tr><td>MYX Options exercisable at \$0.3309 with expiry date of 30 September 2025</td><td>11,695,841</td></tr></table>	*ASX security code and description	*Total number of +securities on issue	MYX Performance Rights with expiry date 30 September 2024	15,285,101	MYX Performance Rights with expiry date 30 September 2025	13,315,161	MYX Options exercisable at \$0.3309 with expiry date of 30 September 2025	11,695,841
*ASX security code and description	*Total number of +securities on issue								
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MYX Performance Rights with expiry date 30 September 2025	13,315,161								
MYX Options exercisable at \$0.3309 with expiry date of 30 September 2025	11,695,841								

## Part 6 – Other Listing Rule requirements

The questions in this Part should only be answered if you are an ASX Listing (ASX Foreign Exempt Listings and ASX Debt Listings do not need to complete this Part) and:

- your response to Q2.1 is "+securities issued under an +employee incentive scheme that are not being immediately quoted on ASX"; or
- your response to Q2.1 is "Other"

Question No.	Question	Answer
6.1	<p>*Are the securities being issued under Listing Rule 7.2 exception 13<sup>1</sup> and therefore the issue does not need any security holder approval under Listing Rule 7.1?</p> <p><i>Answer this question if your response to Q2.1 is "securities issued under an employee incentive scheme that are not being immediately quoted on ASX".</i></p>	No
6.2	<p>*Has the entity obtained, or is it obtaining, +security holder approval for the issue under listing rule 7.1?</p> <p><i>Answer this question if the response to Q6.1 is "No".</i></p>	No
6.2a	<p>*Date of meeting or proposed meeting to approve the issue under listing rule 7.1</p> <p><i>Answer this question if the response to Q6.1 is "No" and the response to Q6.2 is "Yes".</i></p>	N/A
6.2b	<p>*Are any of the +securities being issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?</p> <p><i>Answer this question if the response to Q6.1 is "No" and the response to Q6.2 is "No".</i></p>	Yes

### <sup>1</sup> Exception 13

An issue of securities under an employee incentive scheme if within 3 years before the issue date:

- (a) in the case of a scheme established before the entity was listed – a summary of the terms of the scheme and the maximum number of equity securities proposed to be issued under the scheme were set out in the prospectus, PDS or information memorandum lodged with ASX under rule 1.1 condition 3; or
- (b) the holders of the entity's ordinary securities have approved the issue of equity securities under the scheme as an exception to this rule. The notice of meeting must have included:
  - a summary of the terms of the scheme.
  - the number of securities issued under the scheme since the entity was listed or the date of the last approval under this rule;
  - the maximum number of +equity securities proposed to be issued under the scheme following the approval; and
  - a voting exclusion statement.

Exception 13 is only available if and to the extent that the number of +equity securities issued under the scheme does not exceed the maximum number set out in the entity's prospectus, PDS or information memorandum (in the case of (a) above) or in the notice of meeting (in the case of (b) above).

Exception 13 ceases to be available if there is a material change to the terms of the scheme from those set out in the entity's prospectus, PDS or information memorandum (in the case of (a) above) or in the notice of meeting (in the case of (b) above).

6.2b.1	<p>*How many +securities are being issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?</p> <p><i>Answer this question if the response to Q6.1 is "No", the response to Q6.2 is "No" and the response to Q6.2b is "Yes".</i></p> <p><i>Please complete and separately send by email to your ASX listings adviser a work sheet in the form of Annexure B to Guidance Note 21 confirming the entity has the available capacity under listing rule 7.1 to issue that number of securities.</i></p>	<p>11,695,841 Options 13,315,161 Rights</p>
6.2c	<p>*Are any of the +securities being issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?</p> <p><i>Answer this question if the response to Q6.1 is "No" and the response to Q6.2 is "No".</i></p>	No
6.2c.1	<p>*How many +securities are being issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A?</p> <p><i>Answer this question if the response to Q6.1 is "No", the response to Q6.2 is "No" and the response to Q6.2c is "Yes".</i></p> <p><i>Please complete and separately send by email to your ASX listings adviser a work sheet in the form of Annexure C to Guidance Note 21 confirming the entity has the available capacity under listing rule 7.1A to issue that number of securities.</i></p>	N/A

Introduced 01/12/19; amended 31/01/20

**Rules of the  
Mayne Pharma Group  
Limited  
Employee Performance Right  
and Option Plan**



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## **RULES OF THE MAYNE PHARMA GROUP LIMITED EMPLOYEE PERFORMANCE RIGHT AND OPTION PLAN**

### **1. OBJECT**

#### **1.1 Object of Plan**

The Mayne Pharma Group Limited Employee Performance Right and Option Plan is to assist in the recruitment, reward, retention and motivation of employees and officers of the Group.

#### **1.2 Outline of Plan**

Under this Plan, the Board or Committee may issue to Eligible Persons Rights or Options and on conditions fixed by the Board or Committee on grant of the Rights or Options.

### **2. ELIGIBILITY**

#### **2.1 Determination of eligibility**

The Committee may from time to time in its absolute discretion decide:

- (a) whether it is appropriate for an Eligible Person to participate in the Plan;
- (b) (whether or not the Eligible Person is already a Holder) the number of Options or Rights the Eligible Person is to be offered at any time; and
- (c) the Vesting Conditions (if any), Vesting Period (if any) and Exercise Period to apply to the Options or Rights the Eligible Person is to be offered.

#### **2.2 Relevant considerations**

In deciding the matters in clause 2.1, the Committee must consider:

- (a) the Eligible Person's position with the Group and the services provided to the Group by the Eligible Person;
- (b) the Eligible Person's record of employment or service with the Group;
- (c) the Eligible Person's potential contribution to the growth of the Group; and
- (d) any other matters which tend to indicate the Eligible Person's merit.

### **3. OFFERS**

#### **3.1 Offers**

The Committee may from time to time make an Offer to an Eligible Person to acquire Options and /or Rights (as applicable).

#### **3.2 Directors**

The Committee may only make an Offer to acquire Options and / or Rights to a Director, or an associate of a Director (within the meaning given by Part 1.2 Division 2 of the Corporations Act 2001), as permitted by the Listing Rules.

### 3.3 **Content of Offer**

The Committee must specify in the Offer:

- (a) the Participant and whether an Offer may be accepted by a Permitted Nominee (as defined in Rule 4;
- (b) the number of Options and / or Rights under the Offer, or the formula for determining such number of Options and / or Rights;
- (c) the Issue Price (if any) and the payment terms, including any circumstances in which the Company must refund some or all of that amount;
- (d) for each Option or Right:
  - (i) the Exercise Price (if any),
  - (ii) the Vesting Period,
  - (iii) any Vesting Conditions,
  - (iv) the last date of the Option Period;
- (e) the closing date for accepting the Offer;
- (f) how the Participant is to accept the Offer for Options or Rights;
- (g) any other terms applying to Rights and / or Options, including whether Options / Rights can be settled in cash, rather than Shares (at the discretion of the Committee);
- (h) if any terms of these Rules are to apply differently, or not at all, in respect of Rights and / or Options, a description of those differences; and
- (i) any other term applicable to the Shares acquired on exercise of the Rights and / or Options (such as a restriction on the disposal of Shares).

### 3.4 **Accompanying documents**

The Committee must include with the Offer described in clause 3.3:

- (a) a copy, or a summary, of these Rules; and
- (b) an Acceptance Form.

### 3.5 **Share Limit**

The Committee must not make an Offer to a Participant to acquire an Option or Right, or grant an Option or Right, if that would exceed the Share Limit. The Share Limit is exceeded if (disregarding any Share or option or right for a Share offered or granted to a person situated at the time of receipt of the offer outside Australia or by way of an offer which does not need disclosure because of section 708 of the Corporations Act 2001) the aggregate of the following exceeds 5% of the total number of issued Shares:

- (a) the number of Shares the subject of the Options or Rights for which the Committee makes an Offer, or which the Committee proposes to grant;
- (b) the number of Shares which would be issued if all other offers or invitations or options to acquire unissued Shares pursuant to this Plan or any other employee share scheme (as defined in the Corporations Act 2001) were accepted or exercised;
- (c) the number of Shares issued during the previous 3 years pursuant to this Plan; and
- (d) the number of Shares issued during the previous 3 years pursuant to any other employee share scheme (as defined in the Corporations Act 2001) of the Company.

#### 4. **RENUNCIATION OF OFFER IN FAVOUR OF NOMINEE**

- (a) At the discretion of the Committee, an Offer made to a Participant may specify that the Participant is entitled to nominate a nominee in whose favour the Participant wishes to renounce their Offer.
- (b) Upon receipt of an Offer that expressly permits a Participant to nominate a nominee, a Participant may by notice in writing to the Committee nominate the nominee in whose favour the Participant wishes to renounce the Offer. The Committee may, in its absolute discretion, resolve not to allow such renunciation of the Offer in favour of a nominee without giving any reason for such decision. If the Committee resolves to allow such renunciation of the Offer in favour of a nominee ("**Permitted Nominee**") then the Permitted Nominee will be issued Options or Rights subject to these Rules and the Participant must, without limiting any provision in these Rules, ensure that the Permitted Nominee complies with these Rules.

#### 5. **ACCEPTANCE OF OFFER**

##### 5.1 **Acceptance**

A Participant or their Permitted Nominee accepting an Offer made under clause 3 must on or before the closing date stated in the Offer (or any later date the Company allows for that acceptance only, or for some or all acceptances):

- (a) do what is specified in the Offer to accept the Offer to acquire the Option or Right (as applicable); and
- (b) execute the Acceptance Form, or arrange for the execution of the Acceptance Form on its behalf, and deliver it to the Committee in any way the Committee determines.

##### 5.2 **Rules**

By accepting the Offer to acquire the Option or Right (as applicable), the Participant or, if applicable, their Permitted Nominee, agrees to be bound by this Plan.

##### 5.3 **Grant and Certificate**

Upon receipt of a duly completed Acceptance Form, the Company must:

- (a) grant the Option or Right to the Participant or their Permitted Nominee; and

- (b) procure that the Holder is provided with an Option Certificate for the Option or a Right Certificate for the Right (as applicable).

## **6. TRANSFER**

### **6.1 No transfer**

Each Option and Right is personal to the Holder and is not transferable, transmissible, assignable or chargeable, except in accordance with clause 6.2, clause 6.3 or clause 6.4, or with the prior written consent of the Committee or as otherwise required under law.

### **6.2 Death or mental incapacity**

With the written approval of the Committee which it may give or withhold in its absolute discretion, an Option or Right may (but only at a time permitted by the approval and in accordance with any conditions specified in the approval) be exercised by or on behalf of the legal personal representatives of a Holder who dies before the end of the Option Period or whose estate becomes liable before the end of the Option Period to be dealt with under the laws relating to mental health.

### **6.3 Cessation of Employment by Australian Participants**

Where the Participant (or their Permitted Nominee) is an Australian Participant, holds Options or Rights, and the Participant ceases to be an Eligible Person before the end of the Option Period:

- (a) subject to paragraph 6.3(c), if the Participant is a Good Leaver at the time they cease to be an Eligible Person:
  - (i) any unvested Options and Rights will not lapse, clause 8.11(c) will not apply to those Options and Rights, and clauses 7 and 8 will apply to the Options or Rights; and
  - (ii) any vested Options and Rights will not lapse, clause 8.11(c) will not apply to those Options and Rights and the Holder has a period of 30 days from the date the Participant ceases to be an Eligible Person to exercise those Options or Rights. If the Options or Rights remain unexercised at the end of that 30 day period, the Options or Rights will lapse.
- (b) if the Participant is a Bad Leaver at the time they cease to be an Eligible Person:
  - (i) any unvested Options and Rights will lapse from the date the Participant ceased to be an Eligible Person; and
  - (ii) any vested Options and Rights will not lapse, clause 8.11(c) will not apply to those Options and Rights and the Holder has a period of 30 days from the date the Participant ceases to be an Eligible Person to exercise those Options or Rights. If the Options or Rights remain unexercised at the end of that 30 day period, the Options or Rights will lapse.
- (c) the Participant is a Good Leaver at the time they cease to be an Eligible Person but subsequently become a Bad Leaver before the end of the Option Period, any Options

and Rights that remain unvested on the applicable Review Date will lapse from the applicable Review Date.

#### **6.4 Cessation of Employment by Participants who are not Australian Participants**

Where the Participant (or their Permitted Nominee) is not an Australian Participant, holds Options or Rights, and the Participant ceases to be an Eligible Person before the end of the Option Period:

- (a) subject to paragraph 6.4(c), if the Participant is a Good Leaver at the time they cease to be an Eligible Person:
  - (i) any unvested Options and Rights will not lapse, clause 8.11(c) will not apply to those Options and Rights, and clauses 7 and 8 will apply to the Options or Rights; and
  - (ii) any vested Options and Rights will not lapse and clause 8.11(c) will not apply to those Options and Rights for a period of up to 12 months from the date the Participant ceased to be an Eligible Person, ending on the earlier of the end of the Option Period or 12 months after the Participant ceased to be an Eligible Person. For the avoidance of doubt, any vested Option or Right that is not exercised before the earlier of the end of the Option Period or 12 months after the Participant ceased to be an Eligible Person will lapse under clause 8.11(c);
- (b) if the Participant is a Bad Leaver at the time they cease to be an Eligible Person:
  - (i) any unvested Options and Rights will lapse from the date the Participant ceased to be an Eligible Person; and
  - (ii) any vested Options and Rights will not lapse and clause 8.11(c) will not apply to those Options and Rights for a period of up to 12 months from the date the Participant ceased to be an Eligible Person, ending on the earlier of the end of the Option Period or 12 months after the Participant ceased to be an Eligible Person. For the avoidance of doubt, any vested Option or Right that is not exercised before the earlier of the end of the Option Period or 12 months after the Participant ceased to be an Eligible Person will lapse under clause 8.11(c); or
- (c) the Participant is a Good Leaver at the time they cease to be an Eligible Person but subsequently become a Bad Leaver before the end of the Option Period:
  - (i) any Options and Rights that remain unvested on the applicable Review Date will lapse from the applicable Review Date; and
  - (ii) any Options and Rights that have vested on or before the applicable Review Date will not lapse, clause 8.11(c) will not apply to those Options and Rights for a period of up to 12 months from the applicable Review Date, ending on the earlier of the end of the Option Period or 12 months after the Review Date. For the avoidance of doubt, any vested Option or Right that is not exercised before the earlier of the end of the Option Period or 12 months after the Review Date will lapse under clause 8.11(c).



## 6.5 **No additional rights**

The Plan does not give any person any additional rights to compensation or damages as a result of the termination of employment or appointment.

## 7. **VESTING**

### 7.1 **Vesting Conditions**

Options and Rights will vest on satisfaction of, and in accordance with, any Vesting Conditions specified in the relevant Offer.

### 7.2 **Changes to Vesting Conditions**

The Vesting Conditions that apply to any Option or Right may be varied or waived from time to time by the Committee in its absolute discretion, provided that no variation or waiver may be made without the consent of the relevant Participant (such consent not to be unreasonably withheld) if the variation or waiver would adversely affect the rights of that Participant in respect of the Option or Right.

### 7.3 **Change in Control**

- (a) If a Change in Control occurs the Committee may determine that any unvested Options or Rights become vested.
- (b) The Offer may specify additional terms in relation to the happening of a Change in Control.

## 8. **EXERCISE**

### 8.1 **Exercise of Rights by Participants that are not Australian Participants**

- (a) A Right will automatically be exercised by the Holder at the commencement of an Exercise Period where:
  - (i) the applicable Participant in respect of those Rights is not an Australian Participant at the commencement of the Exercise Period; or
  - (ii) the Right is a Right to which clause 6.4(a)(i) applies and those unvested Rights which subsequently vest after the relevant Participant ceases to be an Eligible Person.
- (b) At the time of automatic exercise of a Right, the Committee will determine, in its absolute discretion, whether the Right will be satisfied by either:
  - (i) arranging for the Holder to be provided a fully paid Share (for each relevant Right), by way of:
    - (A) issue and allotment;
    - (B) acquisition of the Share by way of on-market purchase;
    - (C) transfer; or

- (D) any other means;
- (ii) making a cash payment to the Holder equal to the market price of a Share at the date of exercise of the Right; or
- (iii) any combination of subparagraphs (i) and (ii).
- (c) The Committee may, in its absolute discretion, withhold from any cash payment to be made to the Holder under clause 8.1(b)(ii) or 8.1(b)(iii), as required to allow the Company to satisfy any withholding tax or deduction required by law arising from the payment to be made by the Company to the Holder under this clause 8.1.
- (d) Where the Committee has determined under clause 8.1(b) to provide Shares to a Holder, the Trustee (on the Participant's or Company's instruction) is authorised to, and must, do the following:
  - (i) as soon as practicable after receiving instruction from the Participant or the Company, sell the relevant number of Shares specified by the Company at the prevailing market price (**Trustee's Selldown**) to generate sufficient sale proceeds to pay to the Company the amount required to satisfy any withholding tax or deduction required by law (**Sale Proceeds**); and
  - (ii) upon receiving the Sale Proceeds, remit the appropriate part of the Sale Proceeds to the Company and any third party (as required); and
  - (iii) remit to the Holder any excess Sale Proceeds which are not required to be paid to the Company or a third party (if any).
- (e) The Committee will notify the Holder as soon as reasonably practicable of its determination for the manner of satisfaction of a Right under clause 7.1(b), and any applicable amount that is required to withhold under clause 7.1(c) or (d).
- (f) Clauses 8.2, 8.5, 8.6 and 8.7 do not apply to the exercise of a Right to which this clause 8.1 applies.

## 8.2 Exercise of Options and Rights in other circumstances

The Holder may exercise an Option or a Right (other than a Right to which clause 8.1 applies) only:

- (a) Subject to clause 6.3 and clause 6.4, during an Exercise Period;
- (b) by doing during that Exercise Period everything required by:
  - (i) clause 8.5(a) for an exercise by full payment of the Exercise Price (if any); or
  - (ii) clause 8.5(b) for an exercise by no immediate cash payment of the Exercise Price (**Cashless Exercise**); and
- (c) by at the same time either:
  - (i) exercising all the Options or Rights which the Holder is then entitled to exercise; or

- (ii) exercising a number of Options or Rights such that the Company will issue a minimum number of Shares that the Committee has determined, or a multiple of that number.

### 8.3 Other Options or Rights

The exercise of an Option or Right does not prevent the exercise of any other Option or Right.

### 8.4 Issue of Shares

Unless the Committee determines otherwise, the Company may arrange for the issue of Shares to Holders for the purposes of the Plan, having regard to any Group security trading policy.

### 8.5 Notice

- (a) To exercise an Option by full payment of the Exercise Price, or to exercise a Right (other than a Right to which clause 8.1 applies), the Holder must give to the Company:
  - (i) a Notice of Option Exercise; and
  - (ii) if applicable, payment of the full amount of the Exercise Price in cleared funds or by cheque made out in favour of the Company.
- (b) To exercise an Option by Cashless Exercise, the Holder must give to the Company a Notice of Cashless Exercise (which must be no less than the minimum number of Shares needed to be sold to satisfy the Exercise Price and any other withholding tax or other obligations in respect of the Cashless Exercise).
- (c) Where a Holder elects to exercise an Option by Cashless Exercise, the Holder acknowledges that:
  - (i) the Shares the subject of the Options exercised by Cashless Exercise will be held by a Trustee under a trust arrangement prior to the steps contemplated in clause 8.9;
  - (ii) the Holder authorises that, in accordance with clause 8.9, the relevant number of the Shares specified in the Notice of Cashless Exercise will be sold by the Trustee to fund the amount of the Exercise Price and any other withholding tax or other obligations in respect of the Cashless Exercise; and
  - (iii) the Holder will not receive the Shares that are sold by the Trustee in accordance with clause 8.9.

### 8.6 Payment

- (a) Subject to clauses 8.5(b), 8.5(c) and 8.9, exercise of an Option is only effective when the Company receives full value for the full amount of the Exercise Price in cleared funds.

## 8.7 Satisfaction of exercise of Rights

At the time of exercise of a Right (other than a Right to which clause 8.1 applies), the Committee will determine, in its absolute discretion, whether the Right will be satisfied by either:

- (a) arranging for the Holder to be provided a fully paid Share (for each relevant Right), by way of:
  - (i) issue and allotment;
  - (ii) acquisition of the Share by way of on-market purchase;
  - (iii) transfer; or
  - (iv) any other means;
- (b) making a cash payment to the Holder equal to the market price of a Share at the date of exercise of the Right; or
- (c) any combination of subparagraphs (a) and (b).

## 8.8 Satisfaction of exercise of Options by full payment of Exercise Price

Where a Holder has exercised an Option by full payment of the Exercise Price, not more than 10 Business Days after the exercise of an Option becomes effective under clause 8.6, the Company must arrange for the relevant number of Shares to be provided to the Holder by way of:

- (a) issue and allotment;
- (b) acquisition of the Shares by way of on-market purchase;
- (c) transfer; or
- (d) any other means.

## 8.9 Satisfaction of exercise of Options by Cashless Exercise

Where a Holder has exercised Options by Cashless Exercise, the Trustee (on the Participant's instruction) is authorised to, and must, do the following:

- (i) as soon as practicable after receiving a Notice of Cashless Exercise, sell the relevant number of Shares specified in the Notice of Cashless Exercise at the prevailing market price (**Trustee's Selldown**) to generate sufficient sale proceeds to pay to the Company the Exercise Price and to satisfy any other withholding tax or other obligations in respect of the Cashless Exercise (**Sale Proceeds**); and
- (ii) upon receiving the Sale Proceeds, remit the appropriate part of the Sale Proceeds to the Company and any third party (as required); and
- (iii) remit to the Holder any excess Sale Proceeds which are not required to be paid to the Company or a third party; and

- (iv) the Company must, as soon as practicable after the exercise of an Option becomes effective under clause 8.5, arrange for the Shares remaining after the Trustee's Selldown to be provided to the Holder by way of:
  - (A) issue and allotment;
  - (B) acquisition of the Shares by way of on-market purchase;
  - (C) transfer; or
  - (D) any other means.

#### **8.10 Share provided upon exercise of Option or Right**

Any Share provided to a Holder on exercise of an Option or a Right (as applicable):

- (a) is subject to the constitution of the Company; and
- (b) ranks equally in every way (including for dividends for which entitlement is determined after the provision) with those then issued fully paid Shares whose holders are entitled to participate in full in any dividend.

#### **8.11 Lapse**

Each Option or Right lapses:

- (a) on exercise of the Option or Right under clause 8.1 or 8.5;
- (b) if the Option or Right has not been exercised at the end of the Option Period;
- (c) subject to clauses 6.2, 6.3 and 6.4, if the Participant ceases to be an Eligible Person;
- (d) if the Committee becomes aware of circumstances which, in the reasonable opinion of the Committee indicate that the Participant has acted fraudulently, dishonestly or in a manner which is in breach of their obligations to the Company or any Associated Company and the Committee (in its absolute discretion) determines that the Option or Right held by the Participant or, where appropriate, their Permitted Nominee lapses;  
or
- (e) if the Company commences to be wound up.

#### **8.12 Balance certificate**

If the Holder exercises less than all of the Options or Rights in an Option Certificate or Right Certificate, the Committee must issue to the Holder an Option Certificate or Right Certificate for the remaining Options or Rights.

#### **8.13 Listing on ASX**

When the Option or Right is exercised and new Shares are issued, the Company must apply to ASX (and any other stock exchange on which the Shares are quoted) for, and will use its best endeavours to obtain, quotation for the Share to be issued.

## 9. **ADJUSTMENTS**

### 9.1 **Rights/entitlements issues**

If after the Vesting Period but during the Option Period of an Option or Right, the Company makes a pro rata offer or invitation to holders of Shares or other securities of the Company or any other entity, the Company must give the Holder notice not less than 9 Business Days before the Record Date to determine entitlements to receive that offer or invitation to enable the Holder to exercise the Option or Right and receive that offer or invitation in respect of the Share provided on exercise of the Option or Right.

### 9.2 **New issues**

- (a) If, before the end of the Option Period the Company gives holders of Shares the right (pro rata with existing shareholdings) to subscribe for additional securities and a Holder's Option is not exercised in time to enable the Holder to acquire the Share provided on exercise of the Option with the ability to subscribe for additional securities, the Exercise Price of an Option after the issue of those securities is adjusted in accordance with the formula set out in Schedule 1.
- (b) If, before the end of the Option Period the Company gives holders of Shares the right (pro rata with existing shareholdings) to subscribe for additional securities and a Holder's Right is not exercised in time to enable the Holder to acquire the Share provided on exercise of the Right with the ability to subscribe for additional securities, the Committee may determine to restructure or modify the Holder's Rights in a manner which is fair and equitable to the Holders and consistent with the ASX Listing Rules.

### 9.3 **Pro rata bonus issues**

If during the Option Period the Company makes a pro rata bonus issue to holders of Shares and an Option or Right is not exercised before the Record Date to determine entitlements to that bonus issue, the number of securities to be provided on exercise of the Option or Right is the number of Shares before that bonus issue plus the number of securities which would have been provided to the Holder if the Option or Right had been exercised before that Record Date (calculated based on the number of Shares that the Holder would have received if the Company determined to settle the Holder's entitlement by way of Shares only (and not cash)).

### 9.4 **Sub-division or consolidation**

If during the Option Period the Company subdivides or consolidates its Shares, the Options and Rights must be subdivided or consolidated (as the case may be) in the same ratio as the Shares and the Exercise Price (if any) must be amended in inverse proportion to that ratio.

### 9.5 **Return of capital**

If during the Option Period the Company makes a return of capital, the number of Options and Rights remains the same, and the Exercise Price of each Option or Right (if any) is reduced by the same amount as the amount returned in relation to each Share.

## **9.6 Cancellation of capital that is lost**

If during the Option Period the Company makes a cancellation of any paid up share capital that is lost or not represented by available assets, the number of Options and Rights and the Exercise Price of each Option or Right (if any) is unaltered.

## **9.7 Pro rata cancellation of capital**

If during the Option Period the Company reduces its issued share capital on a pro rata basis, the number of Options and Rights must be reduced in the same ratio as the Shares and the Exercise Price of each Option or Right (if any) must be amended in inverse proportion to that ratio.

## **9.8 General reorganisation**

If during the Option Period the Company reorganises its issued share capital in any way not contemplated by this clause 7, the number of Options and Rights or the Exercise Price, or both, must be reorganised so that the Holder will not receive a benefit that holders of Shares do not receive.

## **9.9 Cumulative adjustments**

Each adjustment under clauses 8.1 to 8.8 must be made for every unexercised Option or Right every time the relevant clause applies during the Option Period.

## **9.10 Rounding**

Until an Option or Right is to be exercised, all calculations adjusting the number of Shares or the Exercise Price must be carried out to include all fractions, but on exercise the number of Shares issued is rounded down to the next lower whole number and the Exercise Price rounded up to the next higher cent.

## **9.11 Notice of adjustment**

The Company must give notice to Holders of any adjustment to the number, description or items of security which are to be provided on exercise of an Option or Right or to the Exercise Price (if any), and must do so in accordance with any applicable Listing Rules. This notice may be in the form of a revised Option Certificate.

## **9.12 Listing Rules**

An adjustment must not be made under this clause 8 unless it is consistent with the Listing Rules. The Company may amend the terms of any Option or Right, or the rights of any Holder under this Plan, to comply with the Listing Rules applying at the time to any reorganisation of capital of the Company.

# **10. AMENDMENT OF THE PLAN**

## **10.1 Consistency with Trading Rules**

If the Company is either (or both) admitted to the Official List of the ASX or a member of CHESS, the following provisions apply (unless the ASX or the SCH waives the relevant Trading Rule in writing).

- (a) Despite anything contained in this Plan, if the Trading Rules prohibit an act being done, the act must not be done.
- (b) Nothing in this Plan prevents an act being done that the Trading Rules require to be done.
- (c) If the Trading Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).
- (d) If the Trading Rules require this Plan or the terms of the issue of the Options or Rights to contain a provision and they do not contain such a provision, this Plan or the terms of issue of the Options or Rights (as the case may be) are taken to contain that provision.
- (e) If the Trading Rules require this Plan or the terms of the issue of the Options or Rights not to contain a provision and they contain such a provision, this Plan or the terms of issue of the Options or Rights (as the case may be) are taken not to contain that provision.
- (f) If any provision of this Plan or the terms of the issue of the Options or Rights are or become inconsistent with the Trading Rules, this Plan or the terms of issue of the Options or Rights (as the case may be) are taken not to contain that provision to the extent of the inconsistency.

## 10.2 By the Committee

Subject to clause 10.4, the Committee may by resolution:

- (a) amend this Plan or all or any of the rights or obligations of the Participants or Holders, provided that any amendment does not materially adversely affect the existing rights of Participants or Holders (in which case the consent of the Participant and/or Holder is required, such consent not to be unreasonably withheld); and
- (b) formulate (and subsequently amend) special terms and conditions, in addition to those set out in this Plan, to apply to Participants or Holders who are employed in, resident in, or citizens of, a particular jurisdiction.

## 10.3 Hardship

The Committee may, if it reasonably forms the opinion that the operation of any term of an Option or Right or of this Plan is or may be unfair, harsh or unconscionable for any Participant or Holder in the circumstances relating to that Participant or Holder, alter, amend or vary that term or its operation by notice in writing to the affected Participant or Holder.

## 10.4 Listing Rules

The Committee must comply with any restrictions or procedural requirements under the Listing Rules for amending an employee incentive scheme or for amending the terms of issued options, unless those restrictions or requirements are expressly or impliedly relaxed or waived by the ASX or any of its delegates generally, or in a particular case or class of cases.



## 11. **ADMINISTRATION**

### 11.1 **Board**

The Board may manage and administer the Plan for the Company and has all powers necessary to do so.

### 11.2 **Committee**

- (a) The Committee has power to:
  - (i) administer the Plan in accordance with these Rules as, and to the extent, provided in these Rules;
  - (ii) determine the terms of or any other conditions attaching to an Offer;
  - (iii) form policies, determine appropriate procedures and make regulations and guidelines for the administration and operation of the Plan which are not inconsistent with these Rules;
  - (iv) exercise all powers and discretions vested in it under these Rules;
  - (v) resolve conclusively all questions of fact or interpretation arising from or in connection with these Rules; and
  - (vi) take and rely on independent professional or expert advice in, or in relation to, the exercise of any of its powers or discretions under these Rules.
- (b) The Board may delegate management and administration of the Plan to a committee of the Board formed under the constitution of the Company. The Board may direct the Committee how to exercise any of its discretions under these Rules or the Plan and the Committee must comply with any direction of the Board.

### 11.3 **Discretion**

- (a) Subject to these Rules, where these Rules permit the Committee or the Board to exercise a discretion or to make a determination, decision, approval or opinion, the discretion may be exercised, and a determination, decision, approval or opinion may be made or given, by the Committee or the Board (as applicable) in their absolute discretion.
- (b) Any power or discretion which is conferred on the Committee or the Board by these Rules may be exercised by the Plan Committee or the Board (as applicable) in the interests, or for the benefit, of the Company, and the Committee and the Board are not, in exercising any power or discretion, under any fiduciary or other obligation to any other person.

### 11.4 **Decision final**

In the absence of manifest error, any determination (including as to materiality), decision, approval or opinion of the Committee or the Board (as the case may be) as to the interpretation, effect or application of these Rules will be final.

## 11.5 **Disputes**

Any dispute or difference of any nature arising in relation to the Plan must be referred to the Committee. The Committee's decision on that dispute or difference is final and binding on the Company, the Participants and the Holders in all respects.

## 12. **DURATION**

### 12.1 **Discretionary**

The Plan continues in operation until the Committee decides to end it.

### 12.2 **Suspension**

The Committee may suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension.

### 12.3 **No prejudice**

If the Plan ends or is suspended for any reason, that does not prejudice the accrued rights of Holders or Eligible Persons (or their Permitted Nominees).

## 13. **NOTICES AND CORRESPONDENCE**

### 13.1 **To the Company**

Any notice given by or correspondence from a Holder or Participant to the Company or the Committee in connection with the Plan is only effective if it is in writing, signed and given at or sent to the principal place of business of the Company, or any other address of which the Company gives notice.

### 13.2 **To a Holder or Participant**

Any notice given by or correspondence from the Company or the Committee to a Holder or Participant in connection with the Plan must be in writing and must be given or made by a person authorised by the Committee on behalf of the Company or the Committee to the place of employment of the Holder or Participant or to the last address of that person given to the Company.

## 14. **GENERAL**

### 14.1 **Governing law**

- (a) This Plan is governed by the law in force in Victoria.
- (b) The Company and each Holder and Participant submit to the non-exclusive jurisdiction of the courts exercising jurisdiction in Victoria and any court that may hear appeals from any of those courts, for any proceedings in connection with this Plan, and waive any right they might have to claim that those courts are an inconvenient forum.

## 14.2 No interest in Shares

A Holder has no interest in a Share the subject of an Option unless and until that Share is provided to the Holder or dealt with on the Holder's behalf on exercise of the Option.

## 15. INTERPRETATION

### 15.1 Rules for interpreting this document

Headings are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to:
  - (i) legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
  - (ii) a document or agreement, or a provision of a document or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
  - (iii) a party to this document or to any other document or agreement includes a permitted substitute or a permitted assign of that party;
  - (iv) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
  - (v) anything (including a right, obligation or concept) includes each part of it.
- (b) A singular word includes the plural, and vice versa.
- (c) A word which suggests one gender includes the other genders.
- (d) If a word is defined, another part of speech has a corresponding meaning.
- (e) If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
- (f) A reference to "**dollars**" or "\$" is to Australian currency.
- (g) The words "**subsidiary**", "**holding company**" and "**related body corporate**" have the same meanings as in the Corporations Act 2001.

### 15.2 Business Days

If the day on or by which a person must do something under this document is not a Business Day:

- (a) if the act involves a payment that is due on demand, the person must do it on or by the next Business Day; and

(b) in any other case, the person must do it on or by the previous Business Day.

16. **DEFINITIONS**

In these Rules, the following definitions apply.

**"Acceptance Form"** means the form for the acceptance of an Offer to acquire Options or Rights (as applicable) in such form (including in electronic form) as approved by the Committee from time to time.

**"Associated Company"** means:

- (a) any company that is a related body corporate of the Company; or
- (b) any company in which the Company has 20% or more of the Voting Power.

**"ASX"** means ASX Limited ACN 008 624 691.

**"Australian Participant"** means a Participant that is a resident of Australia for taxation purposes and is not a resident of the United States of America for tax purposes.

**"Bad Leaver"** means a Participant who ceases to be an Eligible Person and is not a Good Leaver.

**"Board"** means the board of Directors of the Company.

**"Business Day"** means a "business day" under the Listing Rules.

**"Change in Control"** means the earliest of the following events to occur:

- (a) the Board recommends that the Company's shareholders:
  - (i) accept a takeover bid for the Company; or
  - (ii) approve or vote in favour of a scheme of arrangement for the takeover of the Company;
- (b) a person acquires voting power (within the meaning of section 610 of the Corporations Act), including by becoming the legal or beneficial owner of more than 50% of the Shares in the Company;
- (c) any event (including a merger of the Company with another company or a private treaty or trade sale other than by way of a sale of the Shares) whether specified above or not and whether at a different percentage to that specified above or not, which the Board determines, in its absolute discretion, to be a Change in Control.

**"CHESS"** means the Clearing House Electronic Subregister System operated by ASX Settlement and Transfer Corporation Pty Limited.

**"Committee"** means the Board or, if the Board delegates to a committee under clause 10.2, that committee.

**"Company"** means Mayne Pharma Group Limited ACN 115 832 963.

"**Director**" means a director of the Company.

"**Eligible Person**" means:

- (a) an individual whom the Committee determines to be in the full-time or part-time employment of an entity in the Group (including any employee on parental leave, long service leave or other special leave as approved by the Committee);
- (b) an executive Director of a body corporate in the Group who holds a salaried employment or office in that body corporate; or
- (c) an individual otherwise in the employment of a body corporate in the Group whom the Committee determines to be an Employee for the purposes of the Plan.

"**Executive PROP Participant**" means a Participant who receives an Offer to participate in the Plan, where the Offer refers to an 'Offer of Performance Rights to Executives'.

"**Exercise Period**" means, for an Option or Right, the period between the date the Option or Right vests (that is, at the end of the Vesting Period) and the end of the Option Period.

"**Exercise Price**" means the subscription price on exercise of an Option or Right fixed for that Option or Right under clause 3 (as adjusted under clause 8), which may be nil.

"**Good Leaver**" means a Participant who ceases to be an Eligible Person as a result of:

- (a) genuine retirement from full time work where the Participant: (i) is at least 55 years of age at the time their employment ceases; and (ii) has been an Eligible Person for at least 3 completed years, provided that if the Participant subsequently comes out of retirement, they must promptly notify the Company accordingly and the Committee may determine that the Participant becomes a Bad Leaver with effect from the date that they come out of retirement (a **Review Date**);
- (b) retrenchment, redundancy, termination without cause or resignation in response to a direct request by the Company without cause;
- (c) severe illness;
- (d) death;
- (e) voluntary resignation (for reasons other than those in (a) – (d) above) where the Participant:
  - (i) has been an Eligible Person for at least 7 completed years (in the case of an Executive PROP Participant) or 10 completed years (in the case of all other Participants) at the time their employment ceases; and
  - (ii) does not resign for the purpose of commencing employment with a competitor of an entity in the Group (as determined by the Board), provided that if the Participant subsequently commences employment with a competitor of an entity in the Group (as determined by the Board), the Committee may determine that the Participant becomes a Bad Leaver with effect from the date that they commence work with a competitor (a **Review Date**); or

- (f) any other circumstances determined by the Committee at any time (whether in relation to the Participant, a class of Participants, particular circumstances, or a class of circumstances).

**"Grant Date"** means the date that an Option or Right is issued under the Plan.

**"Group"** means the Company and all Associated Companies.

**"Holder"** means, in relation to an Option or Right, the person (whether a Participant or a Permitted Nominee) registered as the holder of the Option or Right in the Company's register of option holders.

**"Issue Price"** means the amount (if any), not exceeding for each Option or Right the lesser of 1 cent or 1% of the Exercise Price (if any), payable by the Participant (or their Permitted Nominee) as consideration for the Options or Rights.

**"Listing Rules"** means the listing rules of ASX as they apply to the Company from time to time.

**"Market Price"** of a Share, at a particular date, means the price determined by the Committee to be the weighted average closing price of Shares sold on ASX on the 5 trading days immediately preceding that date (but if no Shares were sold on ASX during that 5 day period the Market Price of a Share is to be the amount determined by the Committee to be equal to the closing price of Shares sold on ASX on the last trading day on which Shares were traded).

**"Minimum Price"** means the amount prescribed by the Listing Rules as the minimum price for options (if any).

**"Notice of Cashless Exercise"** means a notice provided by a Holder to elect for cashless exercise for Options, or in such form (including electronically) as the Board may decide or permit from time to time.

**"Notice of Option Exercise"** means a notice provided by a Holder for the exercise of Options or Rights, in such form (including electronically) as the Board may decide or permit from time to time.

**"Offer"** means an offer made to a Participant to acquire Options or Rights under this Plan under clause 3.

**"Option"** means, subject to the terms of an Offer, an option to acquire 1 fully paid Share (as adjusted under clause 8) under this Plan for a pre-determined exercise price.

**"Option Certificate"** means the certificate or similar document (including an electronic document or resource) provided or made available by the Company, its share registry or a software service provider engaged in the administration of the Plan, to a Holder for an Option. For the avoidance of doubt, the information provided to a Holder regarding their Option through a software service used in the administration of the Plan shall constitute an Option Certificate.

**"Option Period"** means, for an Option or Right, the period starting on the Grant Date and ending on the earlier of:

- (a) the expiry date specified in the Offer to acquire that Option or Right; and
- (b) the date that the Option or Right is exercised by the Holder or is deemed to be exercised (as applicable).

**"Participant"** means any Eligible Person to whom the Committee has decided to make an Offer to acquire Options or Rights under the Plan.

**"Permitted Nominees"** is defined in clause 4.

**"Plan"** means these Rules and the Mayne Pharma Group Limited Employee Performance Right and Option Plan established in accordance with this document.

**"Record Date"** has the meaning given by the Listing Rules.

**"Review Date"** has the meaning given in the definition of Good Leaver.

**"Right"** means a right to:

- (a) acquire 1 fully paid Share (as adjusted under clause 8) under this Plan; or
- (b) receive a cash payment equal to the market price of 1 fully paid Share (as adjusted under clause 8) under this Plan,

as determined by the Committee in accordance with clause 7.1.

**"Right Certificate"** means the certificate or similar document (including an electronic document or resource) provided or made available by the Company, its share registry or a software service provider engaged in the administration of the Plan, to a Holder for a Right. For the avoidance of doubt, the information provided to a Holder regarding their Right through a software service used in the administration of the Plan shall constitute a Right Certificate..

**"Rules"** means the rules of the Mayne Pharma Group Limited Employee Performance Right and Option Plan established in accordance with this document.

**"SCH"** means the body corporate acting as the securities clearing house under the Corporations Act 2001.

**"Share"** means an ordinary share in the Company.

**"Trading Rules"** means the Listing Rules, any other rules of the ASX applying to the Company while it is admitted to the official list of the ASX, and the SCH business rules as amended or replaced from time to time.

**"Trustee"** means the trustee of any employee share trust established by the Company for the purpose of holding Shares to be provided under this, or another, employee share or option plan.

**"Vesting Condition"** means, for an Option or Right, a condition which must be met before the Option or Right vests and can be exercised.

**"Vesting Period"** means, for an Option or Right, the period starting on the Grant Date and ending on the earlier of:

- (c) the date that the Option or Right vests; and
- (d) the end of the Option Period.

**"Voting Power"** has the same meaning as in section 610 of the Corporations Act 2001.



## **SCHEDULE 1**

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

where:

$O^1$  = The new Exercise Price of the Option.

$O$  = The old Exercise Price of the Option.

$E$  = The number of Shares into which an Option is exercisable.

$P$  = The average closing price (excluding special crossings, overnight sales and exchange traded option exercises) on the Stock Exchange Automated Trading System provided for the trading of securities on ASX of Shares (weighted by reference to volume) during the 5 trading days before the ex rights date or ex entitlements date.

$S$  = The subscription price for one security under the renounceable rights or entitlements issue.

$D$  = The dividend due but not yet paid on existing Shares (except those to be issued under the renounceable rights issue or entitlements issue).

$N$  = Number of Shares with rights or entitlements required to be held to receive a right to one new security.

However, if  $O^1$  under this formula is less than the Minimum Price, the new Exercise Price of the Option is to be equal to the Minimum Price.