

Attachment 7

Equity Incentive Plan Rules



Equity Incentive Plan Rules

The Lottery Corporation Limited
ACN 081 925 706

Adopted by the Board on 3 March 2022

Table of Contents

INTRODUCTION	4
1 Offers of Incentive Securities	4
1.1 Board to make invitations	4
1.2 Information to be provided to Participants	4
1.3 Acceptance of Offer	5
1.4 Offer terms and conditions take precedence	5
2 Rights	5
2.1 Grant	5
2.2 Vesting	6
2.3 Allocation	6
2.4 Payment of cash equivalent.....	7
2.5 Lapse of Rights	7
3 Options	7
3.1 Grant	7
3.2 Vesting	8
3.3 Allocation following exercise	8
3.4 Payment of cash equivalent.....	9
3.5 Lapse of Options	9
4 Restricted Shares	9
4.1 Allocation	9
4.2 Restricted Shares purchased by salary sacrifice	10
4.3 Restricted Shares that are tax-exempt	10
4.4 Cessation of restrictions	10
4.5 Forfeiture of Restricted Shares	11
5 Prohibited Dealings	11
6 Preventing inappropriate benefits	12
7 Discretion regarding Vesting	14
8 Forfeiture of Shares	14
9 Cessation of employment	15
9.1 Board discretion on cessation.....	15
9.2 Post cessation discretions	15
9.3 Approved leave of absence	16
10 Change of Control	16
10.1 Change of Control Events.....	16
10.2 Notification of Vesting	17
10.3 Treatment of Vested Incentive Securities	17
10.4 Acquisition of shares in Acquiring Company	17
10.5 Divestment of material business or subsidiary	18
11 Power to adjust Rights and/or Options and the Exercise Price	18
12 Dividends and other rights	19
12.1 Dividends and other rights associated with Shares	19
12.2 Dividend equivalent payments and other rights associated with Rights and Options.....	19

13	Withholding	20
14	Amendments	21
	14.1 Power to make amendments	21
	14.2 Restrictions on amendments	21
	14.3 Notice of amendment.....	22
15	Participants based overseas	22
	15.1 Overseas transfers.....	22
	15.2 Non-Australian residents	22
16	Miscellaneous	22
	16.1 Shares issued under the EIP	22
	16.2 Rights and obligations of Participants.....	23
	16.3 Power of the Board to administer the EIP	23
	16.4 Waiver of terms and conditions	24
	16.5 Application of constitution of the Company, Corporations Act and Listing Rules	24
	16.6 Error in Allocation.....	24
	16.7 Dispute or disagreement.....	24
	16.8 Communication	24
	16.9 Data protection.....	25
	16.10 Tax	25
	16.11 Laws governing these Rules and the EIP	25
17	Definition and Interpretation	26
	17.1 Definitions	26
	17.2 Interpretation.....	30

INTRODUCTION

The purpose of the Equity Incentive Plan (**EIP**) is to allow the Board to make Offers of Incentive Securities to Eligible Employees.

These Rules outline the terms and conditions upon which Offers will be made, including:

- the process for making and accepting Offers (**Part A**);
- the type of securities that may be offered (being Rights, Options and Restricted Shares) (**Part B**); and
- the general terms and conditions that apply to Incentive Securities (**Part C**).

Capitalised terms are defined in **Part D** of these Rules.

PART A

1 Offers of Incentive Securities

1.1 Board to make invitations

- (a) The Board may, from time to time, in its absolute discretion invite Eligible Employees to participate in a grant of Incentive Securities, which may comprise any one or more of:
- Rights;
 - Options; and
 - Restricted Shares,
- (**Offer**).
- (b) Offers will be made on the terms set out in these Rules and/or on any additional or alternative terms as the Board determines, as specified in the terms of an Offer.

1.2 Information to be provided to Participants

Without limiting the Board's discretion, the terms of the Offer to an Eligible Employee may include the following information:

- (a) the type and number of Incentive Securities being offered, or the method by which the number will be calculated;
- (b) the amount (if any) that will be payable for the grant of Incentive Securities;
- (c) any Vesting Conditions or other conditions that apply, including any Vesting Period;
- (d) information relating to the exercise of an Option or a Right (where exercisable), including any exercise price payable and the period(s) for exercise;

- (e) the circumstances in which Rights and/or Options may lapse, Shares (including Restricted Shares) allocated under the EIP may be forfeited or a Participant's entitlement to Incentive Securities may be reduced;
- (f) how Incentive Securities may be treated if the Eligible Employee ceases employment with a Group company;
- (g) any restrictions (including the period of restriction) on Dealing in relation to a Restricted Share or Share allocated to the Eligible Employee under the EIP; and
- (h) where all or part of an Offer is made as a salary sacrifice offer under rule 4.2 or as a tax-exempt offer under rule 4.3 of these Rules, the Offer should specify this.

1.3 Acceptance of Offer

- (a) Acceptance of an Offer must be made by the Eligible Employee in accordance with the instructions that accompany the Offer, or in any other way the Board determines.
- (b) The Board may, at its discretion, refuse to allow the participation of an Eligible Employee where that Eligible Employee ceases to be an Eligible Employee, or ceases to satisfy any other conditions imposed by the Board, before the grant is made.
- (c) Nothing limits the Board's ability to treat the conduct of an Eligible Employee in respect of an Offer (including the failure of an Eligible Employee to lodge an election not to participate within the time specified in the instructions accompanying the Offer) as valid acceptance of that Offer under these Rules.
- (d) The Board may revoke an Offer given to an Eligible Employee prior to the date specified for the acceptance of the Offer or the grant being made, whichever is later, and such Offer will be deemed never to have been made.

1.4 Offer terms and conditions take precedence

To the extent of any inconsistency, the terms and conditions advised to an Eligible Employee in an Offer will prevail over any other provision of these Rules.

PART B

2 Rights

2.1 Grant

- (a) Where an Eligible Employee has accepted an Offer to participate in a grant of Rights in accordance with rule 1.3(a), the Board will, subject to its discretion under rule 1.3(b), grant Rights to the Eligible Employee.
- (b) Unless the Board determines otherwise:
 - (1) no payment is required for the grant of a Right;
 - (2) Rights may not be registered in any name other than that of the Eligible Employee; and

- (3) subdivision 83A-C of the Tax Act applies to the Rights (subject to the requirements of that Act) unless otherwise stated in the Offer.

2.2 Vesting

- (a) Subject to any express rule to the contrary, a Right will only Vest (and if applicable, become exercisable) where each Vesting Condition, and all other relevant conditions advised to the Participant by the Board pursuant to rule 1.2, have been satisfied or otherwise waived by the Board.
- (b) Vesting occurs upon notification from the Company to the Participant that a Right has Vested pursuant to this rule 2.2.
- (c) Where the Board notifies a Participant that a Right is exercisable, the exercise of the Right will be effected in the form and manner determined by the Board and notified to the Participant. If an exercisable Right is not exercised (or otherwise surrendered by the Participant) by the end of the exercise period or expiry date specified in the terms of an Offer, the Right will be automatically be exercised on that date.
- (d) If the Vesting of a Right would arise in a period where Dealings by a Participant would be prohibited or the Board determines that the Vesting of a Right would otherwise be inappropriate in the circumstances, the Board may determine that Vesting will be delayed until such time as Dealings are permitted or appropriate. For the avoidance of doubt, the Board may determine that Vesting will be delayed only in relation to the affected Participant or in relation to some or all Participants (irrespective of whether they are subject to the Dealing restriction).
- (e) At the time an Offer is made or at any time prior to Vesting or exercise (if applicable) of the Right, the Board may determine that the Vesting (and if applicable, exercise) of some or all Rights will be satisfied by:
 - (1) an allocation of Shares; or
 - (2) making a cash payment under rule 2.4 (instead of an allocation of Shares).If no determination is made, the Vesting (and, if applicable, exercise) of a Right will be satisfied by the Company allocating Shares to the Participant pursuant to rule 2.3.
- (f) The Participant has no entitlement to receive a Share or a cash payment under rule 2.2(e) until the Rights have Vested, and if applicable, been exercised.

2.3 Allocation

- (a) Subject to rules 2.2(e), 2.3(b) and 2.3(c), where Vesting (and if applicable, exercise) of a Right will be satisfied by an allocation of Shares under rule 2.2(e), as soon as practicable following Vesting (and if applicable, exercise) of a Right, the Board must issue to, procure the transfer to, or procure the setting aside for, the Participant the number of Shares in respect of which Rights have Vested or have been exercised (as applicable). No further action is required on the part of the Participant.
- (b) In the case of Rights held by or on behalf of a Participant who is a Director, Vested (and if applicable, exercised) Rights must be satisfied by Shares that have been purchased on market, unless:
 - (1) no shareholder approval is required under the Listing Rules in respect of the Director's participation in the EIP; or

- (2) shareholders have approved the Director's participation in the EIP to the extent required under the Listing Rules.
- (c) If the allocation of a Share would arise in a period where Dealings by a Participant would be prohibited or the Board determines that the allocation of a Share would otherwise be inappropriate in the circumstances, the Board may determine that allocation will be delayed until such time as Dealings are permitted or appropriate.

2.4 Payment of cash equivalent

- (a) Where the Board exercises its discretion under rule 2.2(e) to make a cash payment to a Participant in lieu of an allocation of Shares, the Company must pay to the Participant an amount in Australian dollars (or any other currency determined by the Board in its absolute discretion) equivalent to the value of the Shares underlying the relevant Rights that the Board determines will be settled by making a cash payment.
- (b) The amount of the cash payment referred to in rule 2.4(a) will be calculated by multiplying the number of Shares underlying the Rights that the Board determines will be settled by making a cash payment by the Current Market Price.
- (c) If the Board determines that the payment under rule 2.4(a) is to be made in a currency other than Australian dollars, unless the Board determines otherwise, the foreign exchange rate applied will be the average closing exchange rate of the relevant currency for the 5 days prior to the date of Vesting (or, if applicable, exercise).

2.5 Lapse of Rights

- (a) A Right will lapse upon the earliest to occur of: 15 years after the date on which the Rights were allocated to the Participant, or any other date nominated as the expiry date in the Offer, other than a Vested but unexercised Right which will be automatically exercised on the applicable expiry date;
- (b) the Right lapsing in accordance with a provision of these Rules (including in accordance with a term of an Offer);
- (c) failure to meet a Vesting Condition or any other condition applicable to the Right within the Vesting Period; or
- (d) the receipt by the Company of a notice in writing from a Participant to the effect that the Participant has elected to surrender the Right.

3 Options

3.1 Grant

- (a) Where an Eligible Employee has accepted an Offer to participate in a grant of Options in accordance with rule 1.3(a), the Board will, subject to its discretion under rule 1.3(b), grant Options to the Eligible Employee.
- (b) Unless the Board determines otherwise or otherwise stated in the Offer:
 - (1) no payment is required for the grant of an Option; and
 - (2) Options may not be registered in any name other than that of the Eligible Employee; and

- (3) subdivision 83A-C of the Tax Act applies to the Options (subject to the requirements of that Act).

3.2 Vesting

- (a) Subject to any express rule to the contrary, an Option will only Vest and become exercisable where each Vesting Condition, and all other relevant conditions advised to the Participant by the Board pursuant to rule 1.2, have been satisfied or otherwise waived by the Board.
- (b) Vesting occurs upon notification from the Company to the Participant that an Option has Vested pursuant to this rule 3.2.
- (c) The exercise of an Option will be effected in the form and manner determined by the Company and, subject to rule 3.4, must be accompanied by payment of the relevant Exercise Price (if any) either in cleared funds or via any cashless exercise mechanism. The Company will notify the Participant of the process for exercise of Options that Vest, including any cashless exercise mechanism available to the Participant.
- (d) If the Vesting of an Option would arise in a period where Dealings by a Participant would be prohibited, or the Board determines that the Vesting of an Option would otherwise be inappropriate in the circumstances, the Board may determine that Vesting will be delayed until such time as Dealings are permitted or appropriate. For the avoidance of doubt, the Board may determine that Vesting will be delayed only in relation to the affected Participant or in relation to some or all Participants (irrespective of whether they are subject to the Dealing restriction).
- (e) At the time an Offer is made or at any time prior to exercise of the Option, the Board may determine that the exercise of some or all Options will be satisfied by:
 - (1) an allocation of Shares; or
 - (2) a cash payment under rule 3.4 (instead of an allocation of Shares).If no determination is made, the exercise of an Option will be satisfied by the Company allocating Shares to the Participant.
- (f) The Participant has no entitlement to receive a Share or a cash payment under rule 3.2(e) until the Options have been exercised.

3.3 Allocation following exercise

- (a) Subject to rules 3.3(b) and 3.3(c), where exercise of an Option will be satisfied by an allocation of Shares under rule 3.2(e) as soon as practicable following the exercise of an Option, the Board must issue to, procure the transfer to, or procure the setting aside for, the Participant the number of Shares in respect of which Options have been exercised (adjusted as appropriate where a cashless exercise mechanism has been utilised by the Participant). No further action is required on the part of the Participant.
- (b) In the case of Options held by or on behalf of a Participant who is a Director, Vested Options must be satisfied by Shares that have been purchased on market, unless:
 - (1) no shareholder approval is required under the Listing Rules in respect of the Director's participation in the EIP; or
 - (2) shareholders have approved the Director's participation in the EIP to the extent required under the Listing Rules.

- (c) If the allocation of a Share would arise in a period where Dealings by a Participant would be prohibited or the Board determines that the allocation of a Share would otherwise be inappropriate in the circumstances, the Board may determine that allocation will be delayed until such time as Dealings are permitted or appropriate.

3.4 Payment of cash equivalent

- (a) Where the Board exercises its discretion under rule 3.2(e) to make a cash payment to a Participant in lieu of an allocation of Shares, the Company must as soon as reasonably practicable, pay to the Participant an amount in Australian dollars (or any other currency determined by the Board in its absolute discretion) determined under rule 3.4(b).
- (b) The amount of the cash payment referred to in rule 3.4(a) will be calculated by multiplying the number of Shares underlying the Options that the Board determines will be settled by making a cash payment by the Current Market Price, less any Exercise Price that would otherwise have been payable in respect of those Options.
- (c) If the Board determines that the payment under rule 3.4(a) is to be made in a currency other than Australian dollars, unless the Board determines otherwise, the foreign exchange rate applied will be the average closing exchange rate of the relevant currency for the 5 days prior to the date of exercise.

3.5 Lapse of Options

An Option will lapse upon the earliest to occur of:

- (a) 15 years after the date on which the Options were allocated to the Participant, or any other date nominated as the expiry date in the Offer (unless the Board determines that the Options will be exercised on the expiry date by way of a cashless exercise mechanism);
- (b) the Option lapsing in accordance with a provision of these Rules (including in accordance with a term of an Offer);
- (c) failure to meet a Vesting Condition or any other condition applicable to the Option within the Vesting Period; or
- (d) the receipt by the Company of a notice in writing from a Participant to the effect that the Participant has elected to surrender the Option.

4 Restricted Shares

4.1 Allocation

- (a) After an Eligible Employee has accepted an Offer to participate in a grant of Restricted Shares in accordance with rule 1.3(a), the Board must, subject to its discretion under rule 1.3(b) and rule 4.1(b), allocate the Restricted Shares in accordance with any timeframe specified in the Offer by either:
 - (1) issuing Restricted Shares to;
 - (2) procuring the transfer of Restricted Shares to; or
 - (3) procuring the setting aside of Restricted Shares for,the Eligible Employee.

- (b) If the allocation of a Restricted Share would arise in a period where Dealings by a Participant would be prohibited or the Board determines that the allocation of a Restricted Share would otherwise be inappropriate in the circumstances, the Board may determine that allocation will be delayed until such time as Dealings are permitted or appropriate. For the avoidance of doubt, the Board may determine that allocation will be delayed only in relation to the affected Participant or in relation to some or all Participants (irrespective of whether they are subject to the Dealing restriction).
- (c) Unless the Board determines otherwise:
 - (1) no payment is required for the grant of a Restricted Share (other than a Restricted Share purchased pursuant to rule 4.2); and
 - (2) Restricted Shares may not be registered in any name other than that of the Eligible Employee or the Trustee.

4.2 Restricted Shares purchased by salary sacrifice

Notwithstanding anything else in these Rules:

- (a) Offers of Restricted Shares made pursuant to this rule 4.2 constitute Offers made under a separate salary sacrifice provision of these Rules.
- (b) Subdivision 83A-C of the Tax Act applies to Offers made pursuant to this separate salary sacrifice provision of these Rules.
- (c) Offers made pursuant to this separate provision will allow a Participant to agree to acquire Restricted Shares in return for a reduction in the Participant's pre-tax remuneration that would not have happened apart from that Offer of not more than A\$5,000 per year ending 30 June (or such other amount specified by subsection 83A-105(4) of subdivision 83A-C of the Tax Act to be the maximum amount of discount to which that subsection can apply).

4.3 Restricted Shares that are tax-exempt

Notwithstanding anything else in these Rules:

- (a) Offers of Restricted Shares made pursuant to this rule 4.3 constitute Offers made under a separate tax-exempt provision of these Rules.
- (b) Subdivision 83A-B of the Tax Act applies to Offers made pursuant to this tax exempt provision of these Rules.
- (c) A Restricted Share allocated to a Participant under this rule 4.3 will be subject to a restriction period from the date that the Restricted Shares are allocated until the earlier of:
 - (1) the date that is three years from the date of allocation (or such other period that may be required under Subdivision 83A-B of the Tax Act, including such earlier time as the Commissioner of Taxation allows in accordance with section 83A-45(5) of the Tax Act); and
 - (2) the date on which the Participant ceases to be employed by the Group.
- (d) Restricted Shares allocated to a Participant under this tax-exempt provision of the Rules cannot be forfeited.

4.4 Cessation of restrictions

- (a) Subject to any express rule to the contrary, a Share only ceases to be a Restricted Share (i.e. Vests) where:

- (1) the Vesting Period and each other relevant condition (including all Vesting Conditions) advised to the Participant by the Board pursuant to rule 1.2 have been satisfied or otherwise waived by the Board; and
 - (2) the Company notifies the Participant that the restrictions in respect of the Restricted Share have ceased or no longer apply.
- (b) Subject to the terms of an Offer and the Group Securities Dealing Policy, when a Share ceases to be a Restricted Share, all restrictions on disposing of, or otherwise Dealing with, that Share, as set out in these Rules or the terms of an Offer, will cease.
 - (c) If the Vesting of a Restricted Share would arise in a period where Dealings by a Participant would be prohibited or would otherwise be inappropriate in the circumstances, the Board may determine that Vesting will be delayed until such time as Dealings are permitted or appropriate. For the avoidance of doubt, the Board may determine that Vesting will be delayed only in relation to the affected Participant or in relation to some or all Participants (irrespective of whether they are subject to the Dealing restriction).
 - (d) Unless provided otherwise in the terms of an Offer, when a Share that is held by the Trustee on behalf of a Participant ceases to be a Restricted Share, the Trustee will continue to hold the Share on trust on behalf of the Participant until such time as the Participant, or the Company on behalf of the Participant, directs the Trustee to:
 - (1) transfer the Share into the Participant's name or:
 - (A) to another account the Participant nominates; or
 - (B) to an account to be held on the Participant's behalf; or
 - (2) sell the Share and pay the proceeds of sale (net of any applicable brokerage, commission, stamp duty or other transaction costs) to the Participant.

4.5 Forfeiture of Restricted Shares

Subject to rule 4.3(d), a Restricted Share will be forfeited upon the earliest to occur of the:

- (a) Restricted Share being forfeited in accordance with a provision of these Rules (including in accordance with a term of an Offer);
- (b) failure to meet a Vesting Condition or any other condition applicable to the Restricted Share within the Vesting Period; or
- (c) receipt by the Company of a notice in writing from a Participant to the effect that the Participant has elected to surrender the Restricted Share.

PART C

5 Prohibited Dealings

- (a) Subject to the Group Securities Dealing Policy, any Dealing in respect of an Incentive Security prior to Vesting is prohibited unless:
 - (1) the Board determines otherwise; or

- (2) the Dealing is required by law and the Participant has provided satisfactory evidence to the Company of that fact.
- (b) Where, in the opinion of the Board, a Participant Deals with a Right or an Option in contravention of rule 5(a), the Right or Option will immediately lapse.
- (c) Where, in the opinion of the Board, the Participant (or the Trustee at the Participant's direction) Deals with a Restricted Share in contravention of rule 5(a), the Restricted Share is deemed to immediately be forfeited.
- (d) The Board may, at its discretion, impose restrictions on Dealing in respect of any Shares allocated under the EIP (including upon Vesting or exercise of Rights or Options or at the request of the Participant) and may implement any procedure it considers appropriate to enforce such restrictions. Where a Participant requests that the Board impose restrictions on Dealing in respect of any Shares, the Board has the discretion to accept or reject such a request.

6 Preventing inappropriate benefits

- (a) The Board may do any of the things in rule 6(b) where, in the opinion of the Board:
 - (1) a Participant:
 - (A) has acted fraudulently or dishonestly;
 - (B) has engaged in gross misconduct;
 - (C) has engaged in an act which has brought the Company, the Group or any Group company into disrepute or may negatively impact the Company's, Group's or any Group company's reputation;
 - (D) has breached their duties or obligations to the Group (including acting in breach of the terms and conditions of their employment or the Group's Code of Conduct; or
 - (E) owes money or a debt to the Company or a Group company and has not otherwise agreed to an alternative arrangement with the Company or Group company (as applicable) to settle the debt owed;
 - (F) is convicted of an offence or has a judgment entered against them in connection with the affairs of the Group; or
 - (2) there is a Financial Misstatement Circumstance; or
 - (3) a Participant's Incentive Securities Vest or may Vest as a result of the fraud, dishonesty, negligence or breach of duties or obligations of any other person (including a breach by that person of the terms and conditions of their employment or the Group's Code of Conduct) and, in the opinion of the Board, the Incentive Securities will not or would not have otherwise Vested; or
 - (4) a significant unexpected or unintended consequence or outcome has occurred which impacts the Group or a Group company, including where the original expected performance outcomes which the Incentive Securities were intended to promote have not been realised; or
 - (5) the Company (or another Group company) is required or entitled to reclaim remuneration from a Participant or reduce a Participant's remuneration outcome under one or more of the following:

- (A) law;
 - (B) regulation, including a direction or guidance from a regulator;
 - (C) contract; or
 - (D) Company or Group policy (as amended from time to time); or
- (6) Vesting of some or all of the Participant's unvested Incentive Securities is not justified or supportable, having regard to any one or more of the following:
- (A) the personal performance and/or conduct of a Participant;
 - (B) the performance of the business unit or function in which the Participant is employed or for which they have accountability, or which is relevant in relation to the Participant's role;
 - (C) the performance of the Group; or
 - (D) any other factor which the Board reasonably determines is appropriate to take into account in relation to the Participant's entitlements under the EIP; or
- (7) any additional circumstance specified in an Offer.
- (b) Subject to rule 4.3(d), the Board may determine that any or all of the following occur:
- (1) some or all of the following held by or on behalf of the Participant:
 - (A) unvested Rights or Options;
 - (B) Vested but unexercised Rights or Options; and/or
 - (C) Restricted Shares and/or Shares allocated under this EIP, will lapse or be deemed to be forfeited (as the case may be), and/or
 - (2) a Participant must pay or repay (as the case may be) to the Company as a debt:
 - (A) all or part of the net proceeds of sale where Shares allocated under the EIP have been sold;
 - (B) any cash payment received under the EIP; and/or
 - (C) any dividends or distributions received in respect of Shares allocated under the EIP; and/or
 - (3) the restrictions on disposing or otherwise Dealing with a Participant's Restricted Shares are extended.
- (c) In circumstances where:
- (1) the Board is considering the application of this rule 6;
 - (2) a Participant is under investigation by the Group, a Group company or an external third party (including a regulator); or
 - (3) such other circumstances specified in an Offer,
- the Board may determine that any or all of the following will occur:
- (4) the Vesting, exercise and/or allocation of a Participant's Incentive Securities be delayed or suspended (as appropriate) until such time as the Board determines (including until the final conclusion of any investigation under rule 6(c)(2)); or

- (5) the restrictions on disposing or otherwise Dealing with a Participant's Restricted Shares are extended.
- (d) The Board may specify in an Offer additional circumstances in which a Participant's entitlement to Incentive Securities or Shares or cash received on vesting of Incentive Securities may be reduced or extinguished.

7 Discretion regarding Vesting

The Board may in its absolute discretion apply an adjustment (upwards or downwards) to the number of a Participant's Incentive Securities that Vest based on application of the Vesting Conditions and any other relevant conditions. In exercising this discretion, the Board may have regard to one or more of the following considerations:

- (a) the personal performance of a Participant;
- (b) the performance of the division or function in which the Participant is employed or for which they have accountability, or which is relevant in relation to the Participant's role;
- (c) the performance of the Group or any Group company; and
- (d) any other factor which the Board reasonably determines is appropriate to take into account in relation to the Participant's Incentive Securities.

Where the Board applies its discretion to reduce the number of a Participant's Incentive Securities that vest, those Incentive Securities that would otherwise have vested will instead lapse or be forfeited (as applicable).

8 Forfeiture of Shares

- (a) Where Shares (including Restricted Shares) are forfeited in accordance with these Rules and the Shares are held by the Participant, the Participant is deemed to have agreed to dispose of their legal and/or beneficial interest (as appropriate) in such Shares for nil consideration and the Shares will be transferred into the name of the Company's nominee who will then hold full legal and beneficial title to those Shares subject to clause 4.3(d).
- (b) Where Shares (including Restricted Shares) are forfeited in accordance with these Rules and the Shares are held by the Trustee, the Participant's rights in the Shares will be extinguished for nil consideration and the Shares will be held as general trust property in accordance with the terms of the Trust Deed. The Board may, at any time in the future, direct the Trustee to hold the Shares for the benefit of a different or new Participant.
- (c) Where a Participant forfeits Shares allocated to him or her on exercise of Options pursuant to these Rules, the Company may, but need not, repay to the Participant any Exercise Price paid by the Participant in respect of the forfeited Shares.

9 Cessation of employment

9.1 Board discretion on cessation

- (a) Subject to rules 9.1(b) and 9.1(c), unless the Board determines otherwise, either prior to or within 60 days of the Participant ceasing to be an employee of the Group, any unvested Incentive Securities will remain on foot and will not Vest or lapse as a result of the Participant ceasing employment, and these Rules and the relevant conditions advised to the Participant by the Board pursuant to rule 1.2 (including any Vesting Conditions) continue to apply as though the Participant had not ceased employment.
- (b) The Board, in its discretion, may determine that some or all of a Participant's unvested Incentive Securities, as applicable:
- (1) lapse;
 - (2) are forfeited;
 - (3) Vest (immediately or subject to conditions);
 - (4) are only exercisable for a prescribed period and will otherwise lapse; and/or
 - (5) are no longer subject to some or any of the restrictions (including any Vesting Condition) that previously applied,
- as a result of the Participant ceasing to be an employee of the Group.
- (c) The Board may specify in the Offer to the Participant (in accordance with rule 1.2) how the Participant's Incentive Securities will be treated on cessation of employment. The applicable treatment may vary depending on the circumstances in which the Participant's employment ceases. In specifying a cessation treatment to apply to an Offer, the Board may preserve some or all of its discretion under rule 9.1(b).
- (d) Notwithstanding anything else in this rule 9, where:
- (1) a Participant ceases their employment with a Group company; and
 - (2) the reason for the cessation is due to the transfer of the Participant's employment to another Group company or to a joint venture in which a Group company participates,
- the Participant will be treated as though their employment did not cease and rules 9.1(b) and 9.2 do not apply, unless the Board determines otherwise.

9.2 Post cessation discretions

- (a) The Board may exercise any of the post cessation discretions in rule 9.2(b) in respect of a Participant who has:
- (1) ceased to be employed by the Group; and
 - (2) received or may receive remuneration or favourable treatment under the EIP or any other plan or agreement with the Group in connection with their cessation of employment (including where entitlements Vest or remain on foot after cessation of employment in accordance with their terms),
- where the Board determines in good faith that:
- (3) the Participant has breached a Post Cessation Covenant; or

- (4) a change in the Participant's circumstances since they ceased to be employed by the Group means it is no longer appropriate for the Participant to retain the benefits outlined in rule 9.2(a)(2) above. These circumstances may include, for example, where the Participant commences employment with a Competitor, or where the Participant purported to retire from the workforce and subsequently recommences employment.
- (b) For the purposes of rule 9.2(a), the Board may do any one or more of the following:
 - (1) deem any unvested Incentive Securities of the Participant to have lapsed or be forfeited with effect from the date determined by the Board;
 - (2) deem all or any Shares (including Restricted Shares) allocated under the EIP that are still held by or on behalf of the Participant to be forfeited subject to clause 4.3(d);
 - (3) where any Shares allocated to a Participant under the EIP (including on Vesting of Incentive Securities) have been sold by or on behalf of the Participant, require the Participant to pay all or part of the net proceeds of that sale to the Company as a debt; and/or
 - (4) where cash has been allocated to a Participant on Vesting of Incentive Securities, including in the form of a dividend or dividend equivalent payment made under rule 12.2, require the Participant to repay all or part of the cash to the Company as a debt.

9.3 Approved leave of absence

Subject to applicable laws, at the discretion of the Board, a Participant who is granted an approved leave of absence and who exercises their right to return to work under any applicable award, enterprise agreement, other agreement, statute or regulation may be treated as not having ceased to be an employee for the purposes of the Rules. Whether a Participant who is granted leave without pay is deemed to have ceased employment will be determined with reference to the Group's policies and any applicable laws.

10 Change of Control

10.1 Change of Control Events

- (a) Where there is a Change of Control Event, the Board may, in its absolute discretion, determine that all or a specified number of a Participant's Incentive Securities Vest or cease to be subject to restrictions (as applicable). For the avoidance of doubt:
 - (1) a Change of Control Event does not include an internal reorganisation of the structure, business and/or assets of the Group; and
 - (2) subject to rule 10.1(b), if the Board does not make a determination pursuant to this rule 10.1(a), then all of a Participant's Incentive Securities will remain on foot subject to the original terms of grant.
- (b) Without limiting rule 10.1(a), where there is an actual change in the Control of the Company then, unless the Board determines otherwise:
 - (1) Restricted Shares will Vest in full and any restrictions on Dealing imposed by the Board on cease to have effect; and

- (2) a pro-rata portion of all other unvested Incentive Securities (based on the portion of the Vesting Period that has elapsed and progress against any applicable performance conditions) will immediately Vest.
- (c) Any unvested Incentive Securities that do not Vest under rule 10.1(a) or 10.1(b), will lapse, unless the Board determines a different treatment.
- (d) Notwithstanding the default treatment set out in these Rules, the Board may specify in the Offer to the Participant (in accordance with rule 1.2) a particular treatment that will apply to unvested Incentive Securities in the context of a Change of Control Event or a change of Control.

10.2 Notification of Vesting

Where some or all of a Participant's Incentive Securities Vest pursuant to rule 10.1, the Board will, as soon as reasonably practicable, give written notice to each Participant of the number of Incentive Securities that have Vested.

10.3 Treatment of Vested Incentive Securities

- (a) The Board has the discretion to determine the treatment of all Vested Incentive Securities (including those that Vest in accordance with rule 10.1) where a Change of Control Event occurs.
- (b) Without limiting rule 10.3(a), where there is an actual change in the Control of the Company then, unless the Board determines otherwise:
 - (1) all Vested Options and Rights that are exercisable will be exercisable for a period of 6 months from the actual change in the Control of the Company and will lapse if not exercised within the specified period; and
 - (2) any restrictions on Dealing imposed by the Board on Vested Incentive Securities will cease to have effect.

10.4 Acquisition of shares in Acquiring Company

- (a) If:
 - (1) a company (**Acquiring Company**) obtains Control of the Company as a result of a Change of Control Event; and
 - (2) the Company and the Acquiring Company agree, subject to applicable laws (including the Listing Rules) a Participant may, upon:
 - (3) Vesting (and, if applicable, exercise) of Rights; or
 - (4) exercise of Options,
 be provided with shares of the Acquiring Company or its parent or subsidiary in lieu of Shares in such manner as the Company and the Acquiring Company may agree (including by a replacement security or exchange of Shares issued on Vesting or exercise) and on substantially the same terms and on substantially the same conditions but with any necessary or appropriate adjustments to the number and kind of shares.
- (b) If rule 10.4(a) applies, the Participant appoints the Company as their agent to do anything needed to give effect to this arrangement, including agreeing to become a member of the Acquiring Company or its parent (as applicable).

10.5 Divestment of material business or subsidiary

- (a) Where the Company divests a business designated by the Board for this purpose as “material”, the Board may make special rules that apply to some or all of the Participant’s Incentive Securities.
- (b) Without limiting the Board’s discretion in rule 10.5(a), such rules may include varying the Vesting Condition and/or any other relevant conditions advised to a Participant and deeming that a Participant remains an employee of the Group for a specific period for the purposes of the relevant Offers.
- (c) As soon as reasonably practicable after making any special rules under this rule 10.5, the Board will give notice in writing of those special rules to any affected Participant.

Any special rules made under this rule 10.5 will not be considered amendments for the purposes of rule 14.

11 Power to adjust Rights and/or Options and the Exercise Price

- (a) Options and Rights carry no entitlement to participate in new issues of Shares by the Company prior to Vesting and exercise (if applicable) of the Right or Option.
- (b) Subject to rule 11(c), prior to the allocation of Shares (or payment of an equivalent cash amount) to a Participant upon Vesting (and, if applicable, exercise) of Rights or exercise of Options, the Board may grant additional Rights or Options or make any adjustments it considers appropriate to the terms of a Right and/or Option granted to that Participant in order to minimise or eliminate any material advantage or disadvantage to a Participant resulting from a corporate action by, or capital reconstruction in relation to, the Company, including but not limited to any return of capital. Adjustments that may be made include adjustments to:
 - (1) the number of Rights or Options to which the Participant is entitled;
 - (2) the number of Shares to which the Participant is entitled upon Vesting (and, if applicable, exercise) of Rights or exercise of Options;
 - (3) any amount payable on Vesting of Rights (and if applicable exercise) or exercise of Options (including the Exercise Price); or
 - (4) a combination of paragraphs (1), (2) and/or (3) above.
- (c) Without limiting rule 11(b), if:
 - (1) Shares are issued pro rata to the Company’s shareholders generally by way of a rights issue, Options will be adjusted in accordance with ASX Listing Rule 6.22.2 (or any replacement rule);
 - (2) Shares are issued pro rata to the Company’s shareholders generally by way of a bonus issue (other than an issue in lieu of dividends or by way of a dividend reinvestment) involving capitalisation of reserves or distributable profits, Options and Rights will be adjusted in the manner allowed or required by the ASX Listing Rules; or
 - (3) any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company is effected, Options and Rights will be adjusted in the manner required by the ASX Listing Rules.

- (d) Where additional Rights or Options are granted to the Participant under this rule 11, such Rights or Options will be subject to the same terms and conditions as the original Rights or Options granted to the Participant (including without limitation, any Vesting Conditions), unless the Board determines otherwise.
- (e) The Board must, as soon as reasonably practicable after making any additional grants or adjustments under this rule 11, give notice in writing to any affected Participant.

12 Dividends and other rights

12.1 Dividends and other rights associated with Shares

- (a) Subject to the terms of any Trust Deed (if applicable) or Offer, the following rules apply in respect of Shares allocated to, or on behalf of, a Participant under this EIP (including Restricted Shares allocated under rule 4.1):
 - (1) the Participant is entitled to receive all dividends and other distributions or benefits payable to the Participant or to the Trustee in respect of the Shares;
 - (2) the Participant is entitled to exercise, or to direct the Trustee in writing how to exercise, the voting rights attaching to the Shares, either generally or in a particular case;
 - (3) any bonus shares that are issued in respect of the Shares will be issued to the Participant, or to the Trustee on the Participant's behalf, and will be held by the Participant or Trustee as Shares subject to the same terms, conditions and restrictions on Dealing (if any) as the Shares in respect of which they were issued; and
 - (4) if rights arise on a rights issue in respect of the Shares, the Participant may Deal with or exercise those rights, or instruct the Trustee (if applicable) in relation to those rights in accordance with the Trust Deed. If the Shares are held by the Trustee on the Participant's behalf and the Participant does not instruct the Trustee how to Deal with the rights, the rights will be dealt with in accordance with the Trust Deed.

12.2 Dividend equivalent payments and other rights associated with Rights and Options

- (a) Unless or until Shares are allocated to a Participant following Vesting or exercise of their Rights or Options (as applicable), the Participant has no interest in those Shares in respect of which the Right or Option was granted.
- (b) Notwithstanding rule 12.2(a), the Board may determine at the time an Offer is made that a dividend equivalent payment will be paid to a Participant who becomes entitled to an allocation of Shares (or equivalent cash amount) following the Vesting or exercise of Rights or Options under that Offer (minus any applicable tax).
- (c) A Participant will have no right to receive a dividend equivalent payment made in respect of any Rights or Options that lapse under the EIP.
- (d) Subject to the terms of any Offer, a dividend equivalent payment:
 - (1) will only be paid following Vesting or exercise of Rights or Options (as applicable);

- (2) will be an amount determined by the Company that will be approximately equal to the amount of dividends that would have been payable to the Participant had they been the owner of the Shares referred to in rule 12.2(b) during the Vesting Period;
- (3) may, at the Company's discretion, be grossed up to reflect any franking credits that would have attached to the dividends, but otherwise will not be grossed up or adjusted to account for any tax consequences which would have applied if the Participant had actually been paid a dividend; and
- (4) may be satisfied through the allocation of Shares or payment of cash.

13 Withholding

- (a) Notwithstanding any other provisions of these Rules, if a Group company, the Trustee or a plan administrator is obliged, or reasonably believes it may have an obligation, as a result of or in connection with any:
 - (1) grant of Incentive Securities;
 - (2) allocation of Shares under the EIP; or
 - (3) payment of any amounts including a cash equivalent amount or a dividend equivalent amount,to account for the following liability of a Participant:
 - (4) income tax or employment taxes under any wage, withholding or other arrangements; or
 - (5) any other tax, social security contributions or levy or charge of a similar nature,then the relevant Group company, Trustee or plan administrator is entitled to withhold or be reimbursed by the Participant for the amount or amounts so paid or payable.
- (b) Where rule 13(a) applies, the relevant Group company, the Trustee or plan administrator is not obliged to grant any Incentive Securities, to allocate Shares or to make a cash payment in accordance with these Rules unless the Company is satisfied that arrangements for payment or reimbursement of the amounts referred to in rule 13(a) have been made. Those arrangements may include, without limitation:
 - (1) the provision by the Participant of sufficient funds to reimburse the relevant Group company, Trustee or plan administrator for the amount (by salary deduction, reduction of any amount owed by the Group to the Participant or otherwise);
 - (2) the sale on behalf of the Participant of Shares allocated pursuant to these Rules for payment or reimbursement of these amounts, as well as the costs of any such sale;
 - (3) a reduction in any amount payable to the Participant in lieu of an allocation of Shares under these Rules;
 - (4) the Participant forgoing their entitlement to an equivalent number of Shares that would otherwise be allocated to the Participant; or

- (5) lapse or forfeiture of a sufficient number of Rights, Options and/or Shares to satisfy the debt the Participant owes to the relevant Group company, Trustee or plan administrator.
- (c) Unless the Group company, Trustee or plan administrator (as applicable) and the Participant agree to use a different valuation, any Rights, Options and/or Shares lapsed or forfeited (as applicable) under this rule will be valued at the Current Market Price on the date of lapse or forfeiture.
- (d) Any amounts which are paid or payable for the purposes of these Rules are inclusive of the Group's compulsory superannuation contribution (if applicable).

14 Amendments

14.1 Power to make amendments

- (a) Subject to rule 14.2, the Board may at any time by resolution:
 - (1) amend or add to (**amend**) all or any of the provisions of the EIP;
 - (2) amend the terms or conditions of any Incentive Security granted under the EIP; or
 - (3) suspend or terminate the operation of the EIP.
- (b) Notwithstanding rule 14.2, the Board may waive, amend or replace any Vesting Condition attaching to an Incentive Security if the Board determines that the original Vesting Condition is no longer appropriate or applicable (including, without limitation, where a Vesting Condition refers to a particular stock market index that is no longer published or there is a corporate action by the Company, including a discounted rights issue, which impacts on the Vesting Condition), provided that the interests of the relevant Participant are not, in the opinion of the Board, materially prejudiced or advantaged relative to the position reasonably anticipated at the time of the grant.

14.2 Restrictions on amendments

Without the consent of the Participant, the Board may not exercise its powers under rule 14.1(a) in a manner which reduces the rights of the Participant in respect of any Incentive Security or Share already granted other than an amendment introduced primarily:

- (a) for the purpose of complying with or addressing present or future laws or regulatory developments that apply to one or more of the following:
 - (1) the remuneration and benefits of Participants (collectively or individually);
 - (2) awards of Incentive Securities; and
 - (3) the EIP or incentive plans generally;
- (b) to correct any manifest error or mistake; or
- (c) to take into consideration possible adverse tax implications arising from, amongst others, adverse rulings, changes to tax legislation and/or changes in the interpretation of tax legislation by a court of competent jurisdiction.

14.3 Notice of amendment

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

15 Participants based overseas

15.1 Overseas transfers

If a Participant is transferred to work in another country and the Participant continues to hold an office or employment with the Group, the Board may decide that:

- (a) some or all of the Participant's Restricted Shares will Vest;
- (b) some or all of the Participant's Options or Rights will Vest and if applicable, become exercisable;
- (c) some or all of the Participant's Options or Rights will be settled in cash in lieu of Shares;
- (d) some or all of the Participant's unvested Incentive Securities will be forfeited and replaced with cash or an entitlement to a future cash amount; or
- (e) any other treatment that the Board determines will apply in relation to some or all of a Participant's Incentive Securities,

with the balance (if any) continuing to be held on the original terms.

15.2 Non-Australian residents

The Board may adopt additional rules of the EIP that will apply to a grant made to an Eligible Employee who is a resident in a jurisdiction other than Australia. The remaining provisions of these Rules will apply subject to whatever alterations or additions the Board may determine having regard to any securities, exchange control, taxation or other laws and/or regulations or any other matter that the Board considers directly or indirectly relevant. To the extent of any inconsistency, any additional rules adopted by the Board under this rule will prevail over any other provision of these Rules.

16 Miscellaneous

16.1 Shares issued under the EIP

- (a) Any Shares issued under the EIP will rank equally in all respects with other Shares for the time being on issue by the Company (for example, having rights with respect to voting, dividends and other distributions, and in the event of a winding up of the Company), except
 - (1) in relation to any rights attaching to such Shares by reference to a record date prior to the date of their issue; or
 - (2) as provided for in accordance with rule 12.1.
- (b) If the Company is listed, the Company will apply for quotation of Shares issued under the EIP within the period required by the Listing Rules.

16.2 Rights and obligations of Participants

- (a) Unless the subject of an express provision in an employment contract, the rights and obligations of any Participant under the terms of their office, employment or contract with the Group are not affected by their participation in the EIP.
- (b) Participation in the EIP does not confer on any Participant any right to future employment and does not affect any rights which any member of the Group may have to terminate the employment of any Participant.
- (c) These Rules will not form part of and are not incorporated into any contract of any Participant (whether or not they are an employee of the Group).
- (d) The grant of Incentive Securities on a particular basis in any year does not create any right or expectation of the grant of Incentive Securities on the same basis, or at all, in any future year.
- (e) No Participant has any right to compensation for any loss in relation to the EIP, including:
 - (1) any loss or reduction of any rights or expectations under the EIP in any circumstances or for any reason (including lawful or unlawful termination of employment or the employment relationship);
 - (2) any exercise of a discretion or a decision taken in relation to a grant of Incentive Securities or in relation to the EIP, or any failure to exercise a discretion under these Rules;
 - (3) the operation, suspension, termination or amendment of the EIP; or
 - (4) lapse or forfeiture (as applicable) of any Incentive Securities.
- (f) The Participant irrevocably appoints each company secretary of the Company (or any other officer of the Company authorised by the Board for this purpose) as their attorney to do anything necessary to:
 - (1) allocate Shares to the Participant in accordance with these Rules;
 - (2) effect a forfeiture of Shares in accordance with these Rules (including rule 8 or the terms of an Offer); and
 - (3) execute transfers of Shares in accordance with these Rules,and the Participant acknowledges that this irrevocable attorney is deemed to be given for valuable consideration.

16.3 Power of the Board to administer the EIP

- (a) The EIP is administered by the Board which has power to:
 - (1) determine procedures for administration of the EIP consistent with these Rules including to implement an employee share trust for the purposes of delivering and holding Shares on behalf of Participants upon the grant of Restricted Shares or the Vesting (and, if applicable, exercise) of Rights or exercise of Options; and
 - (2) delegate to any one or more persons for such period and on such conditions as it may determine the exercise of any of its powers or discretions arising under the EIP.
- (b) Except as otherwise expressly provided in the EIP, the Board has absolute and unfettered discretion to act or refrain from acting under or in connection with the EIP and in the exercise of any power or discretion under the EIP.

16.4 Waiver of terms and conditions

Notwithstanding any other provisions of the EIP, the Board may at any time waive in whole or in part any terms or conditions (including any Vesting Condition) in relation to any Incentive Securities or Shares granted to a Participant.

16.5 Application of constitution of the Company, Corporations Act and Listing Rules

- (a) The EIP must be operated in accordance with the constitution of the Company, the Corporations Act, the Listing Rules, other applicable laws and regulations.
- (b) Notwithstanding any other provisions of the EIP, Incentive Securities and Shares will not be allocated, issued, acquired, transferred or otherwise dealt with under the EIP, and no other benefit will be deliverable under the EIP, if to do so would:
 - (1) contravene the constitution of the Company, the Corporations Act, the Listing Rules, or any other applicable laws (including any applicable foreign law);
 - (2) give rise to unreasonable cost or regulatory requirements for the Company or any Group company; or
 - (3) require the Company or any Group company to pay, provide, or procure the payment or provision of, any money or benefits to the Participant which would require shareholder approval under Part 2D.2, Division 2 of the Corporations Act.
- (c) For the avoidance of doubt, the Company has no obligation to seek shareholder approval to deliver any benefit under these Rules that cannot be delivered without shareholder approval.

16.6 Error in Allocation

- (a) If any Incentive Security is provided under the EIP in error or by mistake to a person (**Mistaken Recipient**) who is not the intended recipient, the Mistaken Recipient will have no right or interest, and will be taken never to have had any right or interest in, that Incentive Security and the Incentive Security will immediately lapse or be forfeited (as applicable).
- (b) If any cash payment is paid under the EIP in error or by mistake to a person who is not the intended recipient (**Mistaken Recipient**), the Mistaken Recipient will have no right to retain that cash payment and the Company may take whatever steps it deems reasonably necessary to seek repayment of that cash payment as a debt.

16.7 Dispute or disagreement

In the event of any dispute, disagreement or uncertainty as to the interpretation of the EIP or these Rules, or as to any question or right arising from or related to the EIP or to any Incentive Securities or Shares granted under it, the decision of the Board is final and binding.

16.8 Communication

Any notice or other communication provided to a Participant under or in connection with the EIP may be given by personal delivery or by sending it by post or email to the Participant, or by posting it on the Company's intranet.

16.9 Data protection

- (a) Subject to any applicable laws, by participating in the EIP, the Participant consents to the holding and processing of personal data provided by the Participant to the Group, the plan administrator or the Trustee, for all purposes with regard to the operation of the EIP. These include, but are not limited to:
- (1) administering and maintaining Participant records;
 - (2) providing information to the Trustee, registrars, brokers, printers or third party administrators of the EIP;
 - (3) providing information to any regulatory authority (including the Australian Tax Office) where required under law; and
 - (4) providing information to future purchasers of a Group company or the business in which the Participant works.
- (b) The Participant acknowledges that the Group, the plan administrator and/or the Trustee may be required or authorised to collect the personal data under laws including the Tax Act, the *Taxation Administration Act 1953* (Cth) and the Corporations Act, and that limited details about shareholders are available to members of the public on request. The Participant has reviewed the Privacy Policy, and acknowledges that the Privacy Policy applies to the Group's handling of their personal data, and contains further details about the countries to which personal data may be disclosed, requesting access to and updating of personal data and how to raise queries and concerns.
- (c) Without limiting rules 16.9(a) or 16.9(b), by allowing the Company to grant Incentive Securities under the EIP, the Participant agrees, subject to rule 16.9(d):
- (1) the tax file number (**TFN**) they have provided to the Group as an employee of the Group (where applicable) being provided to any plan administrator, as agent for the Company and also as administrator of the EIP; and
 - (2) their TFN (where applicable) being provided to the Australian Taxation Office and any other regulatory authorities as permitted under law.
- (d) Rule 16.9(c) is voluntary and the Participant should notify the Company if they wish to withdraw agreement to that rule at any time. Participants who do not agree to that rule may be subject to withholding tax deductions under [the *Taxation Administration Act 1953* (Cth)].

16.10 Tax

Unless otherwise required by law, no Group company is responsible for any Tax which may become payable by a Participant as a consequence of or in connection with the grant of any Incentive Securities, the allocation of any Shares or any Dealing with any Incentive Securities or any Shares.

16.11 Laws governing these Rules and the EIP

These Rules, the EIP, and any Incentive Securities granted and Shares allocated under it, are governed by the laws of the Commonwealth of Australia.

PART D

17 Definition and Interpretation

17.1 Definitions

Term	Meaning
Acquiring Company	has the meaning given in rule 10.4(a)
ASX	ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires
Board	the board of directors of the Company, any committee of the board or a person or body to which the board has delegated its powers under these Rules
Change of Control Event	where there is a: <ol style="list-style-type: none">1 Takeover Bid for Shares; or2 other transaction, event or state of affairs, that, in the Board's opinion, is likely to result in, or should otherwise be treated as, a change in the Control of the Company
Code of Conduct	the Company's code of conduct as amended or replaced from time to time
Company	The Lottery Corporation Limited ACN 081 925 706
Competitor	any business that competes with the Group or a Group company
Control	has the meaning given in section 50AA of the Corporations Act
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Current Market Price	the arithmetic average of the daily volume weighted average market price (rounded to the nearest cent) of all Shares traded on the ASX during the previous ten trading days, or any other calculation as determined by the Board

Term	Meaning
Deal or Dealing	<p>in relation to an Incentive Security or Share (as the case may be), any dealing, including but not limited to:</p> <ol style="list-style-type: none"> 1 a sale, transfer, assignment, encumbrance, option, swap, or any other alienation of all or any part of the rights attaching to the Incentive Security or Share; 2 any attempt to do any of the actions set out in paragraph 1 above; and 3 any hedging (including any dealing with a derivative instrument) intended to “lock in” a profit relating to an Incentive Security, and any other transactions in financial products that operate to limit the economic risk associated with holding an Incentive Security
Director	a director of the Company
EIP	The Lottery Corporation Limited Equity Incentive Plan
Eligible Employee	an employee of the Group (including a Director employed in an executive capacity) or any other person who is declared by the Board to be eligible to receive a grant of Incentive Securities under the EIP
Exercise Price	the amount payable to exercise an Option following Vesting as set out in an Offer (as adjusted or amended in accordance with these Rules)
Financial Misstatement Circumstance	a material misstatement or omission in the financial statements of a Group company or any other circumstances or events which, in the opinion of the Board, may, or are likely to, affect the Group’s financial soundness or require re-statement of the Group’s financial accounts, including, without limitation, as a result of misrepresentations, errors, omissions, or negligence
Group	the Company and each Related Body Corporate of the Company
Group company	a member of the Group or any other company designated by the Board to be a Group company for the purposes of these Rules
Group Securities Dealing Policy	the Group policy for trading in securities (as amended or replaced from time to time) or such other Group policy in relation to trading or Dealing in Shares as applicable from time to time
Incentive Security	a Restricted Share, Right and/or Option (as the case may be)

Term	Meaning
Listing Rules	the official Listing Rules of the ASX and any other exchange on which the Company is listed as they apply to the Company from time to time
Offer	an invitation to an Eligible Employee made by the Board under rule 1.1 to apply for, participate in, or receive (as applicable), a grant of Incentive Securities
Option	an entitlement to receive a Share or, in certain circumstances, to a cash payment, subject to satisfaction of applicable conditions (including any Vesting Condition) and compliance with the applicable exercise procedure
Participant	a person who has been allocated an Incentive Security or Share under the terms of these Rules from time to time
Post Cessation Covenant	in respect of a Participant means: <ol style="list-style-type: none"> 1 a restriction or undertaking owed to the Group in connection with the Participant's former employment with the Group; or 2 any compromise or contractual arrangement in relation to the cessation of the Participant's employment with the Group
Privacy Policy	The Group's privacy policy, as amended from time to time, which can be found on the Group's website
Related Body Corporate	has the meaning given in section 50 of the Corporations Act
Restricted Share	a Share allocated in accordance with rule 4.1 that is subject to restrictions on Dealing, Vesting Conditions and/or other restrictions or conditions
Right	an entitlement to a Share or, in certain circumstances, to a cash payment, subject to satisfaction of applicable conditions (including any Vesting Condition) and compliance with any applicable exercise procedure
Rules	the terms and conditions of the EIP as set out in this document as amended from time to time

Term	Meaning
Share	a fully paid ordinary share in the capital of the Company. A reference to a Share includes a reference to a Restricted Share
Subsidiary	has the meaning given in section 46 of the Corporations Act
Takeover Bid	has the meaning given in section 9 of the Corporations Act
Tax	includes any tax, levy, impost, goods and services tax, deduction, charge, rate, contribution, duty or withholding which is assessed (or deemed to be assessed), levied, imposed or made by any government or any governmental, semi-governmental or judicial entity or authority together with any interest, penalty, fine, charge, fee or other amount assessed (or deemed to be assessed), levied, imposed or made on or in respect of any or all of the foregoing
Tax Act	the <i>Income Tax Assessment Act 1997</i> (Cth)
Trust Deed	in relation to an Offer, any trust deed nominated by the Company as the Trust Deed for the purposes of the Offer, as amended from time to time
Trustee	the trustee under the Trust Deed
Vest or Vesting	<p>the process by which the holder of an Incentive Security becomes entitled to:</p> <ol style="list-style-type: none"> 1 in the case of a Right, exercise the Right (if applicable) or be allocated a Share (or equivalent cash payment) in accordance with rules 2.2 and 2.3; 2 in the case of an Option, exercise the Option in accordance with rules 3.2 and 3.3; 3 in the case of a Restricted Share, have all restrictions on disposing of or otherwise Dealing with the Restricted Share cease in accordance with rule 4.3 (other than any additional restrictions imposed by the Board under rule 5(d))
Vesting Condition	performance, service or other conditions that must be satisfied or circumstances which must exist before an Incentive Security Vests under these Rules

Term	Meaning
Vesting Period	the prescribed period for satisfaction of a Vesting Condition, advised to a Participant by the Board under rule 1.2

17.2 Interpretation

In the EIP, the following rules apply unless a contrary intention appears:

- (a) headings are for convenience only and do not affect the interpretation of these Rules unless the context requires otherwise;
- (b) any reference in these Rules to any statute or statutory instrument includes a reference to that statute or statutory instrument as amended, consolidated, re-enacted or replaced from time to time;
- (c) a reference to any agreement or document includes a reference to that agreement or document as amended, novated, supplemented or amended from time to time;
- (d) any words denoting the singular include the plural and words denoting the plural include the singular;
- (e) where any word or phrase is given a definite meaning in these Rules, any part of speech or other grammatical form of that word or phrase has a corresponding meaning;
- (f) the word "includes" in any form is not a word of limitation; and
- (g) any determination, decision or exercise of power, by the Board will be at its absolute discretion.