



01 April 2021

TERMS OF DIRECTOR OPTIONS AND PERFORMANCE SHARES

Delorean Corporation Limited (ACN 638 111 127) (**Company**) confirms the terms of the Director Options and Performance Shares (as defined the prospectus dated 4 March 2021 and supplementary prospectus dated 31 March 2021 respectively) as follows:

Director Options

- (a) The Options will be unlisted.
- (b) The Options are exercisable at 20 cents each.
- (c) The Options are exercisable on or before 31 March 2025 (**Expiry Date**).
- (d) The options vest as follows:
 - (i) 1/3 of the options vest when the Company's shares trade on the ASX at a price of 30 cents or more for 5 consecutive trading days and the holder remains a Director of the Company.
 - (ii) 1/3 of the options vest when the Company's shares trade on the ASX at a price of 35 cents or more for 5 consecutive trading days and the holder remains a Director of the Company.
 - (iii) 1/3 of the options vest when the Company's shares trade on the ASX at a price of 40 cents or more for 5 consecutive trading days and the holder remains a Director of the Company.
- (e) Each Option exercised will entitle the holder to one Share in the capital of the Company.
- (f) The notice attached to the certificate has to be completed when exercising the Options (**Notice of Exercise**).
- (g) Options may be exercised by the holder completing and forwarding to the Company a Notice of Exercise and payment of the exercise price for each Option being exercised prior to the Expiry Date.
- (h) All Shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then existing Shares.
- (i) Shares allotted and issued pursuant to the exercise of Options will be allotted and issued not more than 5 business days after the receipt of a properly executed Notice of Exercise and payment for the Exercise Price of each Option being exercised. The Company will apply for official quotation on ASX of Shares issued pursuant to the exercise of Options.
- (j) The holder of Options cannot participate in new issues of securities to holders of Shares unless the Options have been exercised and the Shares have been allotted and registered



in respect of the Options before the record date for determining entitlements to the issue. The Company must give notice to the holder of the Options of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules. Options can only be exercised in accordance with these terms and conditions.

- (k) If the Company makes a pro rata bonus issue of Shares to holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Shares have been allotted and registered in respect of the exercise of Options before the record date for determining entitlements to the bonus issue, then the number of Shares or other securities for which the holder of the Options is entitled to subscribe on exercise of the Options is increased by the number of Shares or other securities that the holder of the Options would have received if the Options had been exercised before the record date for the bonus issue. No change will be made to the Exercise Price.

If at any time the capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

Performance Shares

1. Definitions

ASIC means the Australian Securities and Investments Commission.

ASX means the Australian Securities Exchange operated by ASX Limited.

Calculation Date means, in respect of a Financial Year, the date that the Company's audited accounts are signed off and released to ASX.

Capital Reorganisation means a reorganisation, reconstruction, consolidation, sub-division, bonus issue or some other analogous action in respect of the ordinary share capital of the Company.

Change in Control Event means:

- (a) the occurrence of:
 - (i) the offeror under a takeover bid pursuant to Chapter 6 of the Corporations Act in respect of the Shares announcing that it has achieved acceptances in respect of more than 50% of all Shares; and
 - (ii) that takeover bid being, or having become or been declared, unconditional; or
- (b) the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the court made under section 411(4)(b) of the Corporations Act in respect of a members scheme of arrangement under Part 5.1 of the Corporations Act under which all Shares are to be either cancelled or transferred to a third party (but not a scheme of arrangement for the purposes of a corporate restructure



(including change of domicile, consolidation, sub-division, reduction or return) of the issued capital of the Company).

Company means Delorean Corporation Ltd (ACN 638 111 127).

Condition means the condition that the Holder (or executive related to the Holder where the Performance Shares are held by a nominee) remains employed or engaged with the Company as at the end of the Financial Year in which the Milestone is achieved.

Corporations Act means the *Corporations Act 2001* (Cth).

Expiry Date means the date that is five (5) years from the date of issue of the Performance Shares.

Financial Year means a financial year commencing on 1 July and ending on the following 30 June.

Holder means a holder of a Performance Share.

Milestone means the milestone that relates to each of the Class A Performance Shares, the Class B Performance Shares and the Class C Performance Shares, and **Milestones** means all of them.

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

Shareholder means a holder of a Share.

Underlying EBITDA means the Company's earnings before interest, taxes, depreciation and amortisation for the Financial Year or any part thereof determined after the completion of an audit or audit review by the Company's auditor adjusted to eliminate one-off gains or losses that are unlikely to reoccur and are not part of the company's day to day business operations. These adjustments include the cost of share-based incentive payments as well as the non-recurring costs that may be associated with impairment of non-financial assets, acquisition related adjustments and restructuring and/or redundancy costs. For absolute clarity, Underlying EBITDA includes other income as defined in the Company's financial statements as well as any share of income in associates.

2. **Rights attaching to the Performance Shares:**

(a) **Performance Shares**

Each Performance Share is a share in the capital of the Company.

(b) **General meetings**

Each Performance Share confers on the Holder the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to Shareholders. Holders have the right to attend general meetings of Shareholders.

(c) **No voting rights**



A Performance Share does not entitle the Holder to vote on any resolutions proposed by the Company except as otherwise required by law.

(d) **No dividend rights**

A Performance Share does not entitle the Holder to any dividends.

(e) **No rights to return of capital**

A Performance Share does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(f) **Rights on winding up**

A Performance Share does not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up.

(g) **Not transferable**

A Performance Share is not transferable.

(h) **Capital Reorganisation**

If at any time prior to the Expiry Date there is a Capital Reorganisation, all rights of a Holder will be equitably adjusted so as to ensure no relative benefit or detriment occurs to, or is conferred upon, the Holder, Shareholders or the Company as a result of the Capital Reorganisation and otherwise so as to comply with the applicable ASX Listing Rules at the time of the Capital Reorganisation.

(i) **Application to ASX and removal of trading restrictions**

(i) The Performance Shares will not be quoted on ASX. However, if the Company is listed on ASX at the time of conversion of the Performance Shares into Shares, the Company must within 2 Business Days of conversion apply for the official quotation on ASX of the Shares arising from the conversion.

(ii) At the time of issue of the Shares under (i) above, the Company must undertake all actions necessary to ensure that any trading restrictions imposed on the Shares under the Corporations Act are lifted by either:

(A) lodging with the ASX a cleansing notice (which complies with Section 708A(6) of the Corporations Act at the time of applying for the official quotation of the Shares arising from the conversion; or

(B) lodging a prospectus with the ASIC at the time of applying for the official quotation of the Shares arising from the conversion that satisfies the requirements of Section 708A(11) of the Corporations Act.



(j) **Participation in entitlements and bonus issues**

Without prejudice to paragraph 1(h), a Performance Share does not entitle a Holder (in their capacity as a holder of a Performance Share) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

(k) **No other rights**

A Performance Share gives the Holder no rights other than those expressly provided by these terms and those provided at law where such rights at law have not been excluded by these terms.

3. Conversion of the Performance Shares:

(a) **Conversion**

Subject to the satisfaction of the Condition by a Holder, the Performance Shares held by a Holder will convert into Shares upon the confirmation of the achievement of the relevant milestone by the Calculation Date as set out below:

- (i) **Class A Performance Shares:** upon the Company achieving at least \$5,000,000 in Underlying EBITDA in any Financial Year (or part thereof) **(Class A Milestone)**.
- (ii) **Class B Performance Shares:** upon the Company achieving at least \$10,000,000 in Underlying EBITDA in any Financial Year (or part thereof) **(Class B Milestone)**.
- (iii) **Class C Performance Shares:** upon the Company achieving at least \$12,500,000 in Underlying EBITDA in any Financial Year (or part thereof) **(Class C Milestone)**.

(b) **Determination of Milestone**

(a) For the purpose of ascertaining the conversion of the Performance Shares under 3(a) above:

- (i) the calculation of the Underlying EBITDA must only occur on audited or audit reviewed accounts of the Company; and
- (ii) the Underlying EBITDA once calculated must be reviewed by the Company's auditor, or if they are unwilling to act, any other independent third party financial advisor, who must confirm that the calculated Underlying EBITDA is not inconsistent with the definition of Underlying EBITDA outlined in these terms.

(c) **Conversion on Change of Control Event**

- (i) Subject to paragraph 3(c)(ii), if prior to the Expiry Date a Change in Control Event occurs then each Performance Share outstanding at that time will convert into one (1) Share.



- (ii) The maximum number of Performance Shares that can be converted into Shares under paragraph 3(c)(i) upon a Change of Control Event must not exceed 10% of the issued Share capital of the Company (as at the date of the Change of Control Event).

(d) **Deferral of conversion if resulting in a prohibited acquisition of Shares**

If the conversion of a Performance Share under paragraph 3 would result in any person being in contravention of section 606(1) of the Corporations Act (**General Prohibition**) then the conversion of that Performance Share shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition.

(e) **Lapse of Performance Share**

Each Performance Share that has not been converted under paragraph 3 shall lapse on the Expiry Date. For the avoidance of doubt, a Performance Share will not lapse in the event that the Shares the subject of a conversion are deferred in accordance with paragraph 3(d) above.

(f) **Conversion procedure**

- (i) The Company will issue the Shares immediately upon conversion of the Performance Shares for no consideration and shall record the issue in the manner required by the Corporations Act.
- (ii) The Company will issue the Holder with a new holding statement for any Share issued upon conversion of a Performance Share within 5 Business Days following the Calculation Date.

(g) **Ranking upon conversion**

The Share into which a Performance Share may convert will rank pari passu in all respects with existing Shares.