

# **Equity Incentive Plan Rules**

Cosmo Metals Limited (ACN 653 132 828)

Company

Adopted by resolution of the Board on:

12 November 2021

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## 1. Introduction

- 1.1 This document sets out the rules (**Rules**) of the Equity Incentive Plan (**Plan**) for Cosmo Metals Limited ACN 653 132 828 (**Company**).
- 1.2 There are legal and tax consequences associated with participation in the Plan. Eligible Participants should ensure that they understand these consequences before accepting an invitation to participate in the Plan.

## 2. Objectives

- 2.1 The objectives of the Plan are to:
- (a) establish a method by which Eligible Participants can participate in the future growth and success of the Company;
  - (b) provide an incentive and reward for Eligible Participants for their contributions to the Company;
  - (c) attract and retain a high standard of managerial and technical personnel for the benefit of the Company; and
  - (d) align the interests of Eligible Participants more closely with the interests of Shareholders, by providing an opportunity for Eligible Participants to hold an equity interest in the Company.

## 3. Definitions and interpretation

### 3.1 Definitions

In these Rules:

**Acceptance** means the acceptance of an Offer of Awards in such form as the Board may from time to time determine.

**Acceptance Date** means the date on which an Acceptance is lodged with the Company by an Eligible Participant or his or her nominee in accordance with the requirements of these Rules.

**Acceptance Form** means the Options Acceptance Form set out at Annexure B the Performance Rights Acceptance Form set out at Annexure F as the case may be.

**ASIC** means the Australian Securities & Investments Commission.

**Associate** has the meaning given to that term in the Listing Rules.

**ASX** means ASX Limited (ACN 008 624 691) trading as the Australian Securities Exchange.

**Award** means an Option or a Performance Right.

**Board** means the board of Directors of the Company from time to time.

**Business Day** means:

- (a) if the Company is not admitted to the official list of ASX, a day other than a Saturday, Sunday, public holiday or bank holiday in Perth, Western Australia; and
- (b) if the Company is admitted to the official list of ASX, has the meaning given to that term in the Listing Rules.

**Buy-Back** means the purchase by the Company of Awards prior to their exercise or vesting (as applicable), or the buy-back by the Company of any Plan Shares, pursuant to Rule 15.

**Change of Control Event** means a person, or a group of associated persons, becoming entitled to sufficient Shares to give that person or persons the ability, in a general meeting, to replace all or a majority of the Board.

**Company** means Cosmo Metals Limited (ACN 653 132 828).

**Constitution** means the constitution of the Company, as amended from time to time.

**Contractor** means a consultant or contractor that has entered into a contract which requires or might reasonably be expected to require the consultant or contractor to provide the pro-rata equivalent of 40% or more of a comparable full-time position with a Group Company:

- (a) directly in their individual capacity; or
- (b) through a company (e.g. a private company or a corporate trustee of a family trust) where the individual who performs the work under or in relation to the contract is a director of the company or the spouse of a director of that company.

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

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

**Dispose** means to sell, transfer, mortgage, pledge, charge, grant a Security Interest over or otherwise dispose of an Option or a Performance Right (as the context requires), and **Disposal** has a corresponding meaning.

**Eligible Participant** means a person who is, in relation to a Group Company:

- (a) a full-time or part-time employee, including an executive Director;
- (b) a non-executive Director;
- (c) a Contractor;
- (d) a casual employee where they are, or might reasonably be expected to be, engaged to work the pro-rata equivalent of 40% or more of a comparable full-time position; or
- (e) a person to whom an Offer is made but who can only accept that Offer if an arrangement has been entered into that will result in the person becoming covered by one of paragraphs (a) to (d) above.

**Exercisable Award** means an Award which must be exercised in order for a Participant to be issued with a Share.

**Exercise Condition** means a condition (excluding a Vesting Condition) which must be satisfied or waived before the Exercisable Award may be exercised.

**Exercise Date** means, with respect to an Exercisable Award, the date on which that Exercisable Award is exercised.

**Exercise Period** means the period from the Vesting Date to the Expiry Date.

**Exercise Price** means:

- (a) in relation to an Option, an amount determined by the Board as the subscription price per Share prior to the offer of the Option in accordance with paragraph 1 of Schedule 1 payable by a Participant on exercise of the Option;
- (b) in relation to a Performance Right which is an Exercisable Award, nil unless otherwise determined by the Board as the subscription price per Share prior to the offer of the Performance Right in accordance with paragraph 1 of Schedule 2 payable by a Participant on exercise of the Performance Right.

**Expiry Date** means 5.00pm WST on the day specified in an Offer as the “Expiry Date” as determined by the Board in its absolute discretion.

**Group Company** means the Company and any Related Body Corporate of the Company.

**Holder** means the registered holder of an Award.

**Issue Date** means the date on which the Company issues or grants an Award.

**Listing Rules** means the official Listing Rules of ASX, and any other rules of ASX which are applicable to the Company while the Company is listed on the official list of ASX, each as amended from time to time, except to the extent of any express waiver by ASX.

**Nominal Consideration** means consideration of not more than \$0.01 per Award.

**Offer** means the offer of Awards made in accordance with paragraph 1 of Schedule 1 or paragraph 1 of Schedule 2, and on the terms set out in these Rules with such adjustments as the Board may consider relevant having regard to the requirements of the Listing Rules (if applicable) or the individual circumstances of an Offer.

**Option** means a right, other than a Performance Right, to subscribe for or otherwise acquire a Share on the terms set out in these Rules.

**Participant** means an Eligible Participant to whom Awards have been validly issued or granted under the Plan.

**Performance Hurdle** means a performance hurdle as determined by the Remuneration Committee and specified in an Offer of an Award.

**Performance Right** means a right, other than an Option, to subscribe for or otherwise acquire a Share on the terms set out in these Rules.

**Permanent Disablement** means:

- (a) the illness or incapacity of the Eligible Participant necessitating the permanent withdrawal of the Eligible Participant from the work force, as accepted to the satisfaction of the Board; or

- (b) any other circumstances which the Board considers should be treated as Permanent Disablement for the purposes of the Plan.

**Plan** means the Equity Incentive Plan for the Company established in accordance with these Rules.

**Plan Share** means any Share held by a Participant:

- (a) in respect of which the Participant exercised an Exercisable Award; or
- (b) upon the automatic vesting of an Award which is not an Exercisable Award.

**Related Body Corporate** has the same meaning as given to that term in the Corporations Act.

**Remuneration Committee** means the committee of the Board responsible for considering and recommending remuneration of employees and contractors of the Company, or if no such committee is established, the Board.

**Restricted Award** means an Award of a particular class or type for which the Restricted Period has not expired or terminated.

**Restricted Period** means the period commencing on the Issue Date and expiring on the Vesting Date.

**Rules** means the rules of the Plan as set out in this document as amended from time to time.

**Securities Trading Policy** means the Company's policy for trading in Company securities by officers and employees of the Company, as amended from time to time.

**Security Interest** means a mortgage, charge, pledge, lien, encumbrance or other third-party interest of any nature.

**Share** means a fully paid ordinary share in the Company.

**Shareholder** means a holder of a Share.

**Takeover Period**, in relation to a takeover bid in respect of Shares, means either:

- (a) where a general offer has been made to acquire Shares, the period of 6 months (or such other period as the Board, in its absolute discretion, determines and notifies in writing to Participants) after such offer has become or been declared unconditional; or
- (b) in relation to a scheme of arrangement, the period of 6 months (or such other period as the Board, in its absolute discretion, determines and notifies in writing to Participants) after the scheme has become effective whereby more than 50 per cent of the Shares carrying a right to vote in general meetings of the Company have vested in another person or in any combination of persons acting in concert.

**Vesting Condition** means a condition (excluding an Exercise Condition) relating to an Award which must be satisfied or waived before the Award can vest and may include Performance Hurdles.

**Vesting Date** means, with respect to an Award, the date on which all Vesting Conditions and Exercise Conditions applicable to that Award have been satisfied or waived.

**WST** means Western Standard Time, being the time in Perth, Western Australia.

### 3.2 Interpretation

In these Rules, unless expressed to the contrary:

- (a) any reference in the Plan to any enactment includes a reference to that enactment as from time to time amended, consolidated, re-enacted or replaced and to all regulations or instruments issued under it;
- (b) any words denoting the singular include the plural and words denoting the plural include the singular;
- (c) any words denoting one gender include the other gender;
- (d) where any word or phrase is given a definite meaning in the Plan, any part of the speech or other grammatical form of that word or phrase has a corresponding meaning;
- (e) a reference to a power, right or discretion being exercisable by the Board is taken to be a reference to that power, right or discretion being exercisable by a delegate of the Board;
- (f) a reference to an application to participate in the Plan includes any process implemented by the Board to provide for deemed applications; and
- (g) a reference to:
  - (i) a person includes a firm, unincorporated association, corporation and a government or statutory body or authority;
  - (ii) a person includes its legal personal representatives, successors and assigns;
  - (iii) a statute, ordinance, code or other law includes regulations and other statutory instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
  - (iv) a right includes a benefit, remedy, discretion, authority or power;
  - (v) an obligation includes a warranty or representation and a reference to a failure to observe or perform an obligation includes a breach of warranty or representative;
  - (vi) **\$ or dollars** is a reference to the lawful currency of Australia;
  - (vii) a reference in these Rules to a Rule or Schedule is a reference to a Rule or Schedule of these Rules, and a reference to an Annexure is a reference to an Annexure to these Rules;
  - (viii) this or any other document includes the document as varied or replaced and notwithstanding any change in the identity of the parties; and



- (ix) any thing (including, without limitation, any amount) is a reference to the whole or any part of it and a reference to a group of things or persons is a reference to any one or more of them; and
- (h) any word or phrase used in these Rules which is not defined in these Rules, but which is defined in the Listing Rules has the same meaning as defined in the Listing Rules; and
- (i) a reference to the Listing Rules has effect only if the Company is listed on the official list of ASX, and is otherwise to be disregarded (save where any term is defined by reference to the meaning given to it in the Listing Rules).

### **3.3 Headings**

A heading in these Rules is for convenience only and does not affect the interpretation of these Rules.

## **4. The Plan**

- 4.1 The Plan will commence on a date determined by resolution of the Board.
- 4.2 There shall be set aside for the purposes of the Plan such number of Awards as the Board may from time to time determine.
- 4.3 The Board will administer the Plan.
- 4.4 If and for so long as the Company is listed on the official list of ASX, Awards may not be offered to a Director or his or her Associates except where approval is given by Shareholders in general meeting in accordance with the requirements of the Listing Rules and the Corporations Act.
- 4.5 Participation in the Plan is subject to the Rules.
- 4.6 Subject to the power of the Board to vary or supplement any of the provisions of any Schedule in relation to any Offer, the provisions of:
  - (a) Schedule 1 apply to the extent the Company makes an Eligible Participant an Offer of Options; and
  - (b) Schedule 2 apply to the extent the Company makes an Eligible Participant an Offer of Performance Rights.

## **5. Trust**

- (a) The Board may, in its sole and absolute discretion, use an employee share trust or other mechanism for the purposes of holding any Shares for Participants under the Plan.
- (b) If the Board uses a mechanism referred to in Rule 5(a), a reference in these Rules to the “issue” of any Shares to a Participant is taken to include any transfer of Shares to a Participant that may be effected or procured by the Company, including from any third party.

## **6. Eligibility to participate**

- 6.1 Subject to Rule 4.4 in respect of the participation of Directors and their Associates, Eligible Participants are eligible to participate in the Plan.

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- 6.2 Eligibility to participate in the Plan does not confer a right to participate in the Plan. Participation in the Plan will be solely determined by the Board in accordance with these Rules.
- 6.3 The Board may in its absolute discretion determine criteria to apply to an Eligible Participant for participation in the Plan including, without limitation, a minimum period of service.
- 6.4 Awards may be issued or granted to Eligible Participants or their nominees as approved by the Board from time to time.
- 6.5 The Board may in its discretion determine the number of Awards to be offered to an Eligible Participant and the Board may, subject to these Rules, determine the terms and conditions applicable to such Awards.

## **7. Cessation of employment or engagement of Participant**

### **7.1 Automatic lapse and forfeiture**

Subject to Rule 7.2, Restricted Awards will automatically lapse and be forfeited if:

- (a) the Participant to whom the Awards were first granted:
  - (i) voluntarily resigns from employment with the Company or terminates the Participant's contract of engagement with the Company, otherwise than to take up employment or engagement with a Related Body Corporate of the Company;
  - (ii) is dismissed from employment, is removed from his or her position with the Company, or has their contract of engagement terminated for any one or more of the following reasons:
    - A. material breach of the terms of any contract of employment, engagement or office entered into by the Company (or another Group Company);
    - B. a negligent act or omission; or
    - C. other conduct justifying termination of employment, engagement or office without notice either under the Participant's contract of employment, engagement or office, or at common law;
  - (iii) ceases his or her employment, engagement or office for any reason and commences employment, engagement or office, or otherwise acts, in breach of any post-termination restrictions contained in his or her contract of employment, engagement or office entered into by the relevant Group Company and the Participant; or
  - (iv) is ineligible to hold his or her office pursuant to the Corporations Act;
- (b) Performance Hurdles, if any, are not satisfied in full, in which case a proportion of Awards may be forfeited, such proportion to be at the absolute discretion of the Board; or
- (c) Performance Hurdles, if any, are not satisfied below a minimum threshold, in which case all Awards subject to such Performance Hurdles will be forfeited.

## **7.2 Exceptions**

Restricted Awards will not lapse and be forfeited if the Participant ceases employment, is removed from his or her position, or has their engagement by the Company terminated in the following circumstances:

- (a) death of the Participant;
- (b) Permanent Disablement of the Participant;
- (c) retirement of the Participant;
- (d) redundancy; or
- (e) where the Board in its absolute discretion determines that the Participant may maintain his/her right to exercise Exercisable Awards or receive other non-Exercisable Awards on their vesting.

## **8. Dividends and voting rights**

Holders of Awards do not have any rights to vote at meetings of the Company or receive dividends until Plan Shares are issued or acquired on the exercise or vesting of Awards pursuant to the Rules.

## **9. Exercise Conditions and Vesting Conditions**

- 9.1 The Board may, when Awards are offered, determine that the Awards issued or granted will be subject to Exercise Conditions or Vesting Conditions, at the Board's absolute discretion.
- 9.2 Awards which are subject to Exercise Conditions or Vesting Conditions are liable to lapse if any of the Exercise Conditions or Vesting Conditions are not satisfied. An Award which lapses will be cancelled and will not thereafter be capable of being exercised by the Holder or vesting in the Holder.
- 9.3 Any Awards which are subject to Exercise Conditions or Vesting Conditions cannot be exercised or vest until such time as the Exercise Conditions or Vesting Conditions have been satisfied or waived.
- 9.4 Exercise Conditions or Vesting Conditions will comprise those conditions described as such by the Board and set out in an Offer (or in a document accompanying an Offer).
- 9.5 Without limiting the Board's power to impose Exercise Conditions or Vesting Conditions, Exercise Conditions or Vesting Conditions may include:
  - (a) a condition that the Eligible Participant remain as an employee, contractor or officer (as the case may be) of the Company or its Related Body Corporate for a stipulated minimum period;
  - (b) a condition that any stipulated performance criterion be satisfied by the Eligible Participant;
  - (c) a condition that certain specified milestones in connection with the business of the Company or its Related Body Corporate be completed within a specified time or in a specified manner; and

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- (d) a condition that the market price of Shares attain a specified price (or remain at a specified price for a specified number of days) within a specified period.
- 9.6 Any Exercise Conditions or Vesting Conditions imposed by the Board may subsequently be waived in whole or in part by the Company by notice in writing to the Holder of the relevant Awards. Any Exercise Conditions or Vesting Conditions so waived will be deemed to be satisfied. For the avoidance of doubt, Exercise Conditions or Vesting Conditions may be waived after a Participant has ceased to be an Eligible Participant in which case the waiver will be deemed to have occurred while the Participant remained an Eligible Participant.
- 9.7 Subject to the Listing Rules, the Company may also vary any Exercise Conditions or Vesting Conditions by notice in writing to the Holder of the relevant Awards provided such variation is not adverse to the Participant holding the relevant Awards.
- 9.8 Awards may also be liable to forfeiture on the terms and conditions set out in Rule 7 of this Plan.

## **10. Disposal restrictions on Plan Shares**

- 10.1 The Board may, in its sole and absolute discretion, determine prior to an Offer being made, that there will be one or more restrictions on any Participant dealing with or in respect of any Plan Share that may be issued with respect to that Award, including any restriction on the disposal of any Plan Share, the granting (or purporting to grant) of any Security Interest in or over any Plan Share, or otherwise dealing with (or purporting to dispose or deal with) any Plan Share.
- 10.2 Subject to Rule 10.1, neither a Plan Share, nor any beneficial or legal interest in a Plan Share, may be transferred, encumbered or otherwise disposed of, or have a Security Interest granted over it, by a Participant unless all restrictions on the transfer, encumbrance or disposal of the Plan Share have been met, the Board has waived any such restrictions, or the prior consent of the Board is obtained which consent may impose such terms and conditions on such transfer, encumbrance or disposal as the Board sees fit.
- 10.3 The Company may do such things and enter into such arrangements with the Company's securities registry or otherwise as it considers necessary to enforce the restrictions set out in Rule 10.2, including but not limited to imposing a holding lock on any Plan Share or using an employee share trust to hold any Plan Share during the relevant restriction period. Participants acknowledge and agree that they will be bound by any action by the Company under this Rule 10.3.
- 10.4 For the avoidance of doubt, the imposition of a restriction on any Plan Share held by a Participant pursuant to Rule 10.1 will not affect the Participant's entitlement to receive a notice of, or to vote or attend at, a meeting of the members of the Company or Shareholders, or to receive any dividends declared by the Company during the relevant restriction period.
- 10.5 Participants must comply with the Securities Trading Policy at all times.

## **11. Takeover restrictions**

### **11.1 Application**

This Rule 11 is a term of each Award for so long as the Company is a public company for the purposes of the Corporations Act.

## 11.2 Deferral of exercise or vesting

If the exercise or vesting of any Awards (or a number of those Awards) would result in any person contravening section 606(1) of the Corporations Act (**Takeover Restriction**) then:

- (a) Any purported exercise or vesting of those Awards (or any part thereof) will be deferred until such later time or times that the exercise or vesting (as applicable) would not result in a contravention of the Takeover Restriction.
- (b) A Holder may give written notification to the Company if they consider that the exercise or vesting of those Awards (or any part thereof) may result in the contravention of the Takeover Restriction, failing which the Company may assume the exercise or vesting of those Awards will not result in any person being in contravention of the Takeover Restriction.
- (c) The Company may (but is not obliged to) by written notice to a Holder, request a Holder to provide the written notice referred to in Rule 11.2(b) within 7 days if the Company considers that the exercise or vesting of those Awards (or any part thereof) may result in a contravention of the Takeover Restriction.
- (d) If the Holder does not give notification to the Company requested under Rule 11.2(c) within 7 days to the effect that they consider the exercise or vesting of the Awards (or part thereof) may result in the contravention of the Takeover Restriction, then the Company may assume that the exercise or vesting of those Awards (or part thereof) will not result in any person being in contravention of the Takeover Restriction.

## 12. Takeovers and schemes of arrangement

### 12.1 Application

This Rule 12 is a term of each Award for so long as the Company is listed on the official list of ASX.

### 12.2 Defined terms

In this Rule 12:

**Cleansing Statement** means a written notice issued by the Company to ASX pursuant to section 708A(5) of the Corporations Act, meeting the requirements of section 708A(6) of the Corporations Act.

**Condition** means an Exercise Condition or a Vesting Condition, as the context requires.

**Exempt Investor** means a person referred to in section 708 of the Corporations Act or any applicable ASIC class order to whom securities may be issued or sold without providing disclosure under Chapter 6D of the Corporations Act.

**Trigger Event** means:

- (a) a takeover bid under Chapter 6 of the Corporations Act is made in respect of the Company under which acceptances have been received for more than 50% of the Company's shares on issue and the bid is declared unconditional by the bidder; or

- (b) a court grants orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies (including under Part 5.1 of the Corporations Act).

### 12.3 Release of conditions

- (a) If a Trigger Event occurs, then as at the date of that Trigger Event:
  - (i) subject to Rule 12.3(b), the Conditions are released and cease to apply to Restricted Awards equal in number to up to 10% of the Shares on issue at that time, such that those Restricted Awards may vest and be exercised; and
  - (ii) the release and cessation of Conditions under Rule 12.3(a)(i) will be completed on a pro rata basis for each Holder.
- (b) If the Company has granted other classes of Award (**Other Restricted Awards**) with rights releasing Conditions that are of the same or substantially similar nature to Rules 12.3(a)(i) and 12.3(a)(ii):
  - (i) the total number of Shares that may be issued under Rule 12.3(a)(i), when aggregated with all Shares issued on release of Conditions for the Other Restricted Awards due to a Trigger Event, must not exceed 10% of the Shares on issue as at that time; and
  - (ii) the number of Shares that will be issued under Rule 12.3(a)(i) will be calculated as follows:

$$\text{Number of Shares} = (A / B) \times 100 \times C$$

where:

- A = the number of Restricted Awards on issue as at the date of the Trigger Event;
- B = the total number of Restricted Awards and Other Restricted Awards on issue as at the date of the Trigger Event; and
- C = the number representing 10% of the Shares on issue as at the date of the Trigger Event.

### 13. Secondary trading restrictions

- (a) This Rule 13 applies if any Plan Shares would otherwise be subject to any secondary trading restrictions as a result of the application of Chapter 6D of the Corporations Act.
- (b) Subject to Rule 13(c), the Company must lodge with ASX a duly completed Cleansing Statement within 5 Business Days of issuing Plan Shares.
- (c) If the Company would be unable to issue a Cleansing Statement in relation to any proposed issue of Plan Shares due to an inability to satisfy the conditions under the Corporations Act to do so (including the conditions set out in section 708A(5) or (6) of the Corporations Act):

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- (i) the Company must, as soon as reasonably practicable, on or after the proposed date of issue of the relevant Plan Shares, and in any event within 60 days of that proposed date of issue, lodge with ASIC a prospectus prepared in accordance with Chapter 6D of the Corporations Act offering Shares (**Cleansing Prospectus**); and
  - (ii) the Company is not required to issue the relevant Plan Shares prior to the lodgement of the Cleansing Prospectus with ASIC (**Prospectus Lodgement**) unless the Holder elects, by notice in writing to the Company, to **receive** those Plan Shares prior to Prospectus Lodgement (**Issuance Election**), in which case:
    - A. without limiting Rule 10 or any term of an Award restricting disposal of the Plan Shares, the Holder undertakes not to sell or otherwise dispose of those Plan Shares prior to Prospectus Lodgement, other than to an Exempt Investor; and
    - B. the Company is authorised to instruct its securities registry to place a holding lock on those Plan Shares until Prospectus Lodgement
  - (d) Unless the Holder has made an Issuance Election, the Company is not required to issue Plan Shares on exercise or vesting of an Award until Prospectus Lodgement.
  - (e) As an alternative to lodging a Cleansing Prospectus, the Company may, in its discretion, apply to ASIC for relief under section 741 of the Corporations Act to permit the Company to issue a Cleansing Statement (**Relief Application**) notwithstanding that it may not satisfy the requirements set out in section 708A(5) or (6) of the Corporations Act, in which case the Holder may make an Issuance Election provided that:
    - (i) without limiting Rule 10 or any term of an Award restricting disposal of the Plan Shares, the Holder undertakes not to sell or otherwise dispose of those Plan Shares prior ASIC granting the Relief Application and the Company issuing a Cleansing Statement, other than to an Exempt Investor; and
    - (ii) the Company is authorised to instruct its securities registry to place a holding lock on those Plan Shares until the Cleansing Statement is announced to ASX by the Company.

#### 14. Maximum term of Exercisable Awards

Without limiting any earlier expiry date stated in, or determined by the terms of, an Offer, an Exercisable Award which has not been exercised will expire on the date that is 15 years after the date on which it became exercisable.

#### 15. Buy-Back

- 15.1 Subject to compliance with applicable securities laws, the Company may Buy-Back Awards or Plan Shares for an amount agreed with the Participant at any time.
- 15.2 Each Participant will do all acts, matters and things which are necessary or desirable to give effect to any Buy-Back of his or her Awards or Plan Shares.

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## 16. Plan limitations

### 16.1 20% limit if not listed on ASX

- (a) If and for so long as the Company is not listed on the official list of ASX, the Board must not make an Offer unless the Directors have reasonable grounds to believe that the number of Plan Shares that have been or may be issued in any of the circumstances covered by the following paragraphs will not exceed 20% of the total number of underlying Shares on issue:
  - (i) Plan Shares that may be issued under the relevant Offer; and
  - (ii) Plan Shares issued or that may be issued as a result of offers made at any time during the previous 3 year period under:
    - A. an employee incentive scheme covered by ASIC Class Order CO 14/1001; or
    - B. an ASIC exempt arrangement of a similar kind to an employee incentive scheme.
- (b) Rule 16.1(a) only applies if and for so long as the Company seeks to rely upon ASIC Class Order CO 14/1001.

### 16.2 5% limit if listed on ASX

For so long as the Company is listed on the official list of ASX, the Board must not make an Offer if the Directors have reasonable grounds to believe that the aggregate number of Plan Shares that have been issued, or may be issued, in the circumstances covered by the following paragraphs, will exceed 5% of the total number of underlying Shares on issue:

- (a) Plan Shares that may be issued under the relevant Offer; and
- (b) Plan Shares issued or that may be issued as a result of offers made at any time during the 3 year period prior to the date of the proposed Offer, under:
  - (i) an employee incentive scheme covered by ASIC Class Order CO 14/1000; or
  - (ii) an ASIC exempt arrangement of a similar kind to an employee incentive scheme.

### 16.3 Exclusions

- (a) Where an Award lapses without being exercised or vesting, any Plan Shares which would have otherwise been received on the exercise or vesting of the Award are ignored when calculating the limits in Rule 16.1 (**Plan Limits**).
- (b) For the purpose of Rule 16.1, any Awards or Plan Shares issued or granted without ASIC relief are not included in the calculation of the Plan Limits and consequently any Awards or Plan Shares offered in the following circumstances may be disregarded:
  - (i) an offer made to a person situated outside Australia at the time of receipt of the Offer;



- (ii) an offer that did not need disclosure to investors because of section 708 or section 1012D of the Corporations Act; or
- (iii) an offer made pursuant to a disclosure document (as defined in the Corporations Act).

## 17. Taxation

### 17.1 General

- (a) Neither the Company nor its directors, officers, employees, representatives or agents take any responsibility or assume any liability for the taxation liabilities of Participants that arise in respect of the issue, grant, exercise or vesting of Awards.
- (b) Upon the exercise or vesting of an Award, the Participant must make arrangements satisfactory to the Company regarding payment of any federal, state, provincial, local or other taxes of any kind required by law to be paid in connection with the exercise or vesting of the Award. In order to satisfy any obligation to remit an amount to a taxation authority on account of such taxes in respect of the exercise, transfer or other disposition of an Award (the **Withholding Tax Amount**), the Company must have the right, in its discretion, to:
  - (i) retain and withhold amounts from any amount or amounts owing to the Participant, whether under this Plan or otherwise;
  - (ii) require the Participant to pay to the Company the Withholding Tax Amount as a condition of exercise or vesting of an Award by a Holder, where the payment received by the Company must be held on behalf of the Participant, and remitted to the appropriate taxing authority by the Company on behalf of the Participant; and/or
  - (iii) withhold from the Plan Shares otherwise deliverable to the Participant on exercise or vesting of an Award such number of Plan Shares as have a market value not less than the Withholding Tax Amount and cause such withheld Plan Shares to be sold on the Participant's behalf to fund the Withholding Tax Amount, where:
    - A. the Company will not be responsible for obtaining any particular price for the Plan Shares;
    - B. the proceeds of any Plan Shares sold must be held by the Company on behalf of the Participant, and remitted to the appropriate taxing authority by the Company on behalf of the Participant; and
    - C. any proceeds from such sale in excess of the Withholding Tax Amount must be promptly paid over to the Holder.
- (c) Notwithstanding Rule 17.1(b), nothing precludes the Company and the Participant from agreeing to use a combination of the methods described in this Rule 17 or some other method to fund the Withholding Tax Amount.

## **17.2 Deferred taxation**

Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth) applies to the Plan except to the extent an Offer provides otherwise.

## **18. Listing Rules**

- (a) The terms and conditions of the Plan must at all times comply with the Listing Rules.
- (b) If there is any inconsistency between the terms and conditions of the Plan and the Listing Rules, then the Listing Rules will prevail.

## **19. Administration of the Plan**

### **19.1 Board powers**

The Plan will be administered by the Board which has the power and absolute discretion to:

- (a) determine the appropriate procedures from time to time for the administration of the Plan, including the form of acceptance and other forms and notices to be issued under the Plan, subject to the Rules;
- (b) subject to Rules 18, 19.2 and 20, amend, modify or waive any or all of the Rules (including this Rule), or any restriction or other condition relating to any Awards allocated under the Plan;
- (c) resolve conclusively all questions of fact or interpretation concerning the Plan and the applicable Rules and any dispute of any kind that arises under the Plan, including as to the interpretation or application of the Plan or any restrictions or other conditions relating to any Awards allocated under the Plan, and the decision of the Board is final and binding on the Company and the Participants;
- (d) make any payment or settlement of an amount to a Participant in consideration for any cancellation of Awards as may be agreed with a Participant;
- (e) delegate to any one or more persons for such period and on such conditions as the Board may determine the exercise of any of the Board's powers or discretions under the Plan; and
- (f) waive any breach of a provision of the Plan.

### **19.2 Limitation on amendments**

Subject to the applicable Rules, without the consent of the Participant, no amendment may be made to any restriction or other condition relating to any Awards allocated under the Plan, which reduces the rights of a Participant to those Awards, other than an amendment made primarily to:

- (a) comply with present or future applicable laws including without limitation any State or Commonwealth legislation;
- (b) correct any manifest error; or
- (c) take into consideration possible adverse tax implications in respect of the Plan arising from, among other things:

- (i) adverse rulings from the Commissioner of Taxation or its equivalent in any other relevant jurisdiction;
- (ii) changes to Australian tax legislation or equivalent legislation in any other relevant jurisdiction; or
- (iii) changes in the interpretation of Australian tax legislation or equivalent legislation in any other relevant jurisdiction by a court or tribunal of competent jurisdiction.

### **19.3 Board's discretion**

- (a) Subject to Rule 19.3(b), the Board has absolute and unfettered discretion:
  - (i) to act or refrain from acting under the applicable Rules or concerning the Plan or any Awards allocated under the Plan; and
  - (ii) in exercising any power or discretion concerning the Plan or any Awards allocated under the Plan.
- (b) If and for so long as the Company is admitted to the official list of ASX, the Board may only exercise its powers in accordance with the Listing Rules.

### **19.4 Indemnification**

The Company must indemnify, and keep indemnified, to the full extent permitted by law, each person who is or has been a director or alternate director of the Company against all proceedings, actions, claims, demands, losses, liabilities, damages, costs and expenses which may be made, brought against, suffered or incurred by the person arising directly or indirectly out of or in connection with the operation of the Plan.

## **20. Termination, suspension and amendment of the Plan**

Subject to any applicable Listing Rules or laws, the Plan will take effect when the Board decides and may be suspended, terminated or amended at any time by resolution of the Board.

## **21. Costs, charges and duties**

The Company:

- (a) is not responsible for any costs, charges or duties which are or may become payable on the transfer, issue or grant of Awards under the Plan or any other dealing with the Awards; and
- (b) may make any withholding or payment which it is required by law to make in connection with the Plan or the Awards.

## **22. Rights of Participants**

Nothing in these Rules or participation in the Plan:

- (a) confers upon an Eligible Participant a right to an Offer;
- (b) confers on an Eligible Participant or a Participant the right to continue as an employee or officer of any Group Company (as the case may be) or participate in the Plan;

- (c) affects the rights of any Group Company to terminate the employment, engagement or office of an Eligible Participant or a Participant (as the case may be);
- (d) affects the rights and obligations of any Eligible Participant or Participant under the terms of their employment, engagement or office with any Group Company;
- (e) confers any legal or equitable right on an Eligible Participant or a Participant whatsoever to take action against any Group Company in respect of their employment, engagement or office;
- (f) confers on an Eligible Participant or a Participant any rights to compensation or damages in consequence of the termination of their employment, engagement or office by any Group Company for any reason whatsoever including ceasing to have rights under the Plan as a result of such termination; or
- (g) confers any responsibility or liability on any Group Company or its directors, officers, employees, representatives or agents in respect of any taxation liabilities of the Eligible Participant or Participant.

### **23. ASIC relief**

- (a) Notwithstanding any other provisions of the Plan, every covenant or other provision set out in an exemption or modification granted from time to time by ASIC in respect of the Plan, which is relied upon by the Company in relation to the Plan, or which otherwise applies to the Plan pursuant to ASIC's power to exempt and modify the Corporations Act and required to be included in the Plan in order for that exemption or modification to have full effect, is deemed to be contained in the Plan.
- (b) To the extent that any covenant or other provision deemed by this Rule 23 to be contained in the Plan is inconsistent with any other provision in the Plan, the deemed covenant or other provision will prevail.

### **24. Notices**

24.1 A notice or other communication under or concerning the Plan is validly given:

- (a) by the Company to a Participant, if delivered personally to the addressee or sent by prepaid post to his or her last known residential address, or sent to him or her by facsimile or email at his or her place of work or posted on an electronic noticeboard maintained by the Company and accessible by the Participant; and
- (b) by a Participant to the Company if delivered or sent by prepaid post addressed to, as appropriate, the company secretary of the Company at the Company's registered office (or any other address the Board specifies).

24.2 A notice or other communication under or concerning the Plan that sent by post will be treated as received:

- (a) if sent to an address within Australia – on the 3<sup>rd</sup> Business Day after the date on which it was posted; and
- (b) if sent to an address outside Australia – on the 5<sup>th</sup> Business Day after the date on which it was posted.

**25. Miscellaneous**

- 25.1 Broker's fees or commissions are not payable by an Eligible Participant for the issue or grant of Awards pursuant to this Plan.
- 25.2 Participants issued or granted Awards under this Plan are bound by these Rules and the Constitution.
- 25.3 A Participant or Holder does not have and is not to be regarded for any purpose as having, any interest in Shares the subject of an Award until that Award is exercised or vested and the Plan Share is issued.
- 25.4 The Company will establish and maintain a register of Participants.
- 25.5 Neither the adoption of the Plan by the Board nor any provisions of these Rules will be construed as creating any limitation on the power of the Board to adopt such additional remuneration arrangements as it may deem desirable, including without limitation, the granting of Awards and bonuses otherwise than under the Plan, and any such arrangements may be either generally applicable or applicable only in specific cases.
- 25.6 All Awards lapse on the winding up of the Company.

**26. Governing law**

The Plan and these Rules are governed by the laws of Western Australia and the Commonwealth of Australia, as applicable.

**27. Severance**

If any provision in the Rules is void, voidable by any party, or illegal, it is to be read down so as to be valid and enforceable or, if it cannot be so read down, the provision (or where possible, the offending words) must be severed from the Rules to the extent that it does not affect the validity, legality or enforceability of the remaining provisions (or parts of those provisions) of the Rules which continue in full force and effect.

## Schedule 1 – Options

### 1. Offer of Options

- 1.1 The Company may from time to time make Offers in writing to Eligible Participants inviting them to accept an offer of Options under the Plan.
- 1.2 An Offer must not be made if to do so would contravene the Constitution, the Corporations Act, the Listing Rules or any other applicable law.
- 1.3 Each Offer will be determined by the Board in its sole and absolute discretion, and must:
- (a) be in writing;
  - (b) specify the name of the Eligible Participant to whom the Offer is made;
  - (c) specify the total number of Options (and the number of Shares to which the Options relate) being offered;
  - (d) specify such terms and conditions of the grant of the Options the subject of the Offer, as determined by the Board, including:
    - (i) the Expiry Date;
    - (ii) the Exercise Price;
    - (iii) the Exercise Conditions (if any); and
    - (iv) the Vesting Conditions (if any);
  - (e) specify the time and date by which the Offer must be accepted;
  - (f) specify any other matters required to be specified in the Offer by the Corporations Act, the Listing Rules and/or applicable instruments issued by ASIC; and
  - (g) have attached an Acceptance Form and a copy of these Rules.
- 1.4 If the Company is listed on the official list of ASX, the Offer must include an undertaking by the Company to provide to a Participant, within a reasonable period of being so requested, the current market price (as defined in the Listing Rules) of the Shares.
- 1.5 The grant of Options under the Plan must not be for an amount more than Nominal Consideration.

### 2. Acceptance of Offer of Options

- 2.1 Upon receipt of an Offer of Options, an Eligible Participant may, within the period specified in the Offer:
- (a) accept the whole or any lesser number of Options offered by submitting an Acceptance Form; or
  - (b) subject to paragraph 2.2, nominate a nominee in whose favour the Eligible Participant wishes to renounce the Offer.

2.2 A nominee nominated pursuant to paragraph 2.1(b) must be covered by one of the following paragraphs:

- (a) an immediate family member of the Eligible Participant;
- (b) a company whose members comprise no persons other than the Eligible Participant or immediate family members of the Eligible Participant; or
- (c) a corporate trustee of a family trust whose beneficiaries include only the Eligible Participant and members of the immediate family of the Eligible Participant and where the Eligible Participant is a director of the trustee;
- (d) a corporate trustee of a self-managed superannuation fund (within the meaning of the *Superannuation Industry (Supervision) Act 1993* (Cth)) where the Eligible Participant is a director of the trustee.

2.3 Upon:

- (a) receipt of the completed Acceptance Form; or
- (b) the Board resolving to allow the renunciation to a nominee for the Eligible Participant and the nominee accepting the whole or any lesser number of Options offered by notice in writing to the Board,

then the Eligible Participant, or the nominee, as the case may be, will be taken to have agreed to be bound by:

- (c) these Rules;
- (d) the terms of the Offer; and
- (e) the Constitution in respect of any Shares acquired on the exercise of Options.

### **3. Grant of Options**

3.1 Upon acceptance of a duly signed and completed Acceptance Form, the Company may grant the Options applied for to the applicant (such person then being known as the **Holder**) on the terms determined by the Board under paragraph 1 of this Schedule.

3.2 The Company will issue a certificate or holding statement to each Holder in respect of Options granted to them.

3.3 The Offer will lapse if not accepted within the time required under the terms of the Offer.

### **4. Terms of Options**

4.1 The terms of Options granted under the Plan are as determined by the Board from time to time in accordance with this paragraph 4. The Options will be subject to the terms and conditions of the Plan and in the event of any inconsistency between the terms in this Schedule and the provisions in the Plan, the Plan will prevail to the extent of the inconsistency.

4.2 The Exercise Price of an Option is the price determined by the Board, in its absolute discretion, prior to or on grant of the Options.

4.3 The Board may in its absolute discretion impose Exercise Conditions in respect of an Option on such terms as the Board considers appropriate. If Option is subject to Exercise Conditions, then the Option may only vest if the Exercise Conditions relating to it have been satisfied or waived by the Board in its absolute discretion. The Board must notify the Holder of the satisfaction or waiver of any Exercise Conditions applicable to the Options held by the Holder.

4.4 Unless otherwise determined by the Board when it resolves to grant the Option, each Option is granted on the terms set out in this paragraph 4.4 set out in this Schedule and the Rules generally:

**(a) Vesting of Options**

- (i) Subject to the terms of grant and the Rules, Options will automatically vest on the Vesting Date.
- (ii) The Board may, in its absolute discretion, determine that Options may vest:
  - A. during or, in the Board's absolute discretion, immediately prior to a Takeover Period;
  - B. at any time after a Change of Control Event has occurred;
  - C. at any time after the announcement of a proposed capital reconstruction referred to in paragraph 4.4(i);
  - D. if the Company is admitted to the official list of ASX, following the occurrence and announcement by the Company of an event that in the opinion of the Board is likely to lead to the Company being removed from the official list of ASX;
  - E. within 12 months, in the event of the death or Permanent Disablement of a Participant, in respect of Options held by or on behalf of that Participant;
  - F. within 12 months, in the event of the cessation of a Participant's employment with a Group Company as a result of the Participant's position becoming redundant; or
  - G. if at the time of cessation of the Participant's employment some or all of the Vesting Conditions have been or will be substantially satisfied.
- (iii) If, in the reasonable opinion of the Board, an Eligible Participant acts fraudulently or dishonestly in any material respect or is in material breach of his or her obligations to any Group Company, then, notwithstanding any other provision in these Rules, the Board may deem any unvested Options held by or on behalf of the Participant to have lapsed.

**(b) Exercise of Options**

- (i) Each Option entitles the Holder to subscribe for one Share on exercise of the Option.



- (ii) Subject to paragraph 4.4(b)(v), a Holder may not exercise Options before expiry of the Restricted Period.
- (iii) Subject to paragraph 4.4(b)(v), a Holder may only exercise Options during the Exercise Period.
- (iv) An Option not exercised by the Expiry Date shall automatically lapse.
- (v) Notwithstanding paragraph 4.4(a)(iii), Options may be exercised:
  - A. during or, in the Board's absolute discretion, immediately prior to a Takeover Period;
  - B. at any time after a Change of Control Event has occurred;
  - C. at any time after the announcement of a proposed capital reconstruction referred to in paragraph 4.4(i);
  - D. if the Company is admitted to the official list of ASX, in the Board's absolute discretion, following the occurrence and announcement by the Company of an event that in the opinion of the Board is likely to lead to the Company being removed from the official list of ASX; or
  - E. in the Board's absolute discretion, within 12 months, in the event of the death or Permanent Disablement of a Participant, in respect of Options held by or on behalf of that Participant.
- (vi) If, in the reasonable opinion of the Board, an Eligible Participant acts fraudulently or dishonestly in any material respect or is in material breach of his or her obligations to any Group Company, then, notwithstanding any other provision in these Rules, the Board may deem any unexercised Options held by or on behalf of the Participant to have lapsed.

(c) **Notice of exercise**

- (i) Options may only be exercised by notice in writing to the Company which is signed by the Holder and delivered to the registered office of the Company. The notice must specify the number of Options being exercised (which must be no less than 500 and then in multiples of 100) and must be accompanied by:
  - A. the Exercise Price for the number of Options specified in the notice; and
  - B. the certificate or holding statement for those Options, for cancellation by the Company.
- (ii) The notice only becomes effective when the Company has received the full amount of the Exercise Price for the number of Options specified in the notice in cleared funds.

(d) **Issue of certificates**

Subject to paragraphs 4.4(a) and (b) above, within 10 Business Days of the notice referred to in paragraph 4.4(c)(i) above becoming effective, the Board must:

- (i) acquire or issue the number of Shares specified in the notice to the Holder;
- (ii) cancel the certificate or holding statement for the Options being exercised; and
- (iii) if applicable, issue a new certificate or holding statement for any remaining unexercised Options covered by the certificate or holding statement accompanying the notice.

(e) **Issue of Shares**

All Shares issued upon the exercise of Options will be credited as fully paid and will be of the same class and rank equally in all respects with other Shares, and, in particular, entitle their holders to participate fully in:

- (i) dividends declared by the Company after the date of issue; and
- (ii) all issues of securities offered to holders of Shares where entitlements to participate in those issues are determined by reference to a record date after the date of issue of Shares issued upon the exercise of Options.

(f) **Quotation on ASX**

- (i) If existing Shares are officially quoted by ASX, the Company must apply for official quotation by ASX of all Shares issued pursuant to the exercise of Options not later than 10 Business Days after the date of issue.
- (ii) The Company will not apply to have the Options granted under the Plan quoted on ASX or any other stock exchange.

(g) **New issues**

Holders will only be permitted to participate in a pro rata issue of Shares to Shareholders on the prior exercise of Options. The Company must notify the Holder of the proposed issue at least 7 Business Days before the record date to determine entitlements to the pro rata issue.

(h) **Bonus issues**

- (i) If from time to time prior to the expiry of any Options the Company makes an issue of any class of Shares to Shareholders on a pro rata basis by way of capitalisation of profits or reserves other than an issue in lieu of dividends (**Bonus Issue**), then upon exercise of Options, each Holder is entitled to have issued (in addition to the Shares which would otherwise be issued upon such exercise) the number of Shares of the class which would have been issued to the Holder under the Bonus Issue (**Bonus Shares**) if on the date on which entitlements to participate in the Bonus Issue were calculated the Holder had been registered as the holder of the number of Shares of which the Holder would have been registered as holder if immediately prior to that date the Option had been exercised and the Shares the subject of such exercise had been duly issued.

- (ii) The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in relation to the Bonus Issue and upon issue rank equally in all respects with the other Shares of that class on issue at the date of issue of the Bonus Shares.

(i) **Reorganisation of capital**

- (i) In the event of a reorganisation (including a consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Options to which each Holder is entitled or the Exercise Price (if any) or both will be changed in the manner required by the Listing Rules and, in any case, in a manner which will not result in any benefits being conferred on holders of Options which are not conferred on Shareholders.
- (ii) The Company must give notice to each Holder of any adjustment to the number of Shares for which the Holder is entitled to subscribe for or to the Exercise Price (if any) pursuant to the provisions of paragraph 4.4(i)(i).
- (iii) An Offer may specify a restriction period for Shares issued on the exercise of Options.

(j) **Restrictions on disposal of Options**

A Holder must not sell, transfer, mortgage, pledge, charge, grant security over or otherwise dispose (a **Disposal**) of any Options, or agree to do any of those things without the prior consent of the Board or where such Disposal occurs by force of law.

(k) **Amendments required by ASX**

The terms and conditions of Options may be amended as necessary by the Company in order to comply with the Listing Rules (if applicable), or any directions of ASX (if applicable) regarding the Options, provided that, subject to compliance with the Listing Rules, the economic and other rights of the Holder are not diminished or terminated following such amendment.

## **5. Conditions of exercise of Options**

Options may not be exercised during the Restricted Period.

## **6. Cancellation of Options**

Notwithstanding any other provisions of these Rules, and subject to the Listing Rules, if the Board determines that some or all of the Options granted to a Participant should be cancelled on a specified date or on the occurrence of a particular event, then the Board may cancel those Options on the relevant date or on the occurrence of the particular event (as the case may be) for no consideration.

## Schedule 2 – Performance Rights

### 1. Offer of Performance Rights

- 1.1 The Company may from time to time make Offers in writing to Eligible Participants inviting them to accept an offer of Performance Rights under the Plan.
- 1.2 An Offer must not be made if to do so would contravene the Constitution, the Corporations Act, the Listing Rules or any other applicable law.
- 1.3 Each Offer will be determined by the Board in its sole and absolute discretion, and must:
- (a) be in writing;
  - (b) specify the name of the Eligible Participant to whom the Offer is made;
  - (c) specify the total number of Performance Rights (and the number of Shares to which the Performance Rights relate) being offered;
  - (d) specify such terms and conditions of the issue of the Performance Rights the subject of the Offer, as determined by the Board, including:
    - (i) the Expiry Date;
    - (ii) the Exercise Conditions (if any);
    - (iii) the Vesting Conditions (if any); and
    - (iv) the Performance Hurdles (if any);
  - (e) specify the time and date by which the Offer must be accepted;
  - (f) specify any other matters required to be specified in the Offer by the Corporations Act, the Listing Rules and/or applicable instruments issued by ASIC; and
  - (g) have attached an Acceptance Form and a copy of these Rules.
- 1.4 If the Company is listed on the official list of ASX, the Offer must include an undertaking by the Company to provide to the Participant, within a reasonable period of being so requested, the current market price (as defined in the Listing Rules) of Shares.
- 1.5 The grant of Performance Rights under the Plan must not be for an amount more than Nominal Consideration.

### 2. Acceptance of Offer of Performance Rights

- 2.1 Upon receipt of an Offer of Performance Rights, an Eligible Participant may, within the period specified in the Offer:
- (a) accept the whole or any lesser number of Performance Rights offered by submitting an Acceptance Form; or
  - (b) subject to paragraph 2.2, nominate a nominee in whose favour the Eligible Participant wishes to renounce the Offer.

2.2 A nominee nominated pursuant to paragraph 2.1(b) must be covered by one of the following paragraphs:

- (a) an immediate family member of the Eligible Participant;
- (b) a company whose members comprise no persons other than the Eligible Participant or immediate family members of the Eligible Participant;
- (c) a corporate trustee of a family trust whose beneficiaries include only the Eligible Participant and members of the immediate family of the Eligible Participant and where the Eligible Participant is a director of the trustee; or
- (d) a corporate trustee of a self-managed superannuation fund (within the meaning of the *Superannuation Industry (Supervision) Act 1993* (Cth)) where the Eligible Participant is a director of the trustee.

2.3 Upon:

- (a) receipt of the completed Acceptance Form; or
- (b) the Board resolving to allow the renunciation to a nominee for the Eligible Participant and the nominee accepting the whole or any lesser amount of Performance Rights offered by notice in writing to the Board,

then the Eligible Participant, or the nominee, as the case may be, will be taken to have agreed to be bound by:

- (c) these Rules;
- (d) the terms of the Offer; and
- (e) the Constitution in respect of any Shares acquired on the vesting and exercise of Performance Rights.

### 3. Grant of Performance Rights

3.1 Upon acceptance of a duly signed and completed Acceptance Form, the Company may grant the Performance Rights applied for to the applicant (such person then being known as the **Holder**) on the terms determined by the Board under paragraph 1 of this Schedule.

3.2 The Company will issue a certificate or holding statement to each Holder in respect of Performance Rights granted to them.

3.3 The Offer will lapse if not accepted within the time required under the terms of the Offer.

### 4. Terms of Performance Rights

4.1 The terms of Performance Rights granted under the Plan shall be as determined by the Board from time to time in accordance with this paragraph 4. The Performance Rights will be subject to the terms and conditions of the Plan and in the event of any inconsistency between the terms in this Schedule and the provisions in the Plan, the Plan will prevail to the extent of the inconsistency.

4.2 Subject to Rule 7 and any other relevant provision in the Rules, a Performance Right will vest on the Vesting Date.

4.3 The Board may in its absolute discretion impose Vesting Conditions in respect of a Performance Right on such terms as the Board considers appropriate. If a Performance Right is subject to Vesting Conditions, then the Performance Right may only vest if the Vesting Conditions relating to it have been satisfied or waived by the Board in its absolute discretion. The Board shall notify the Holder of the satisfaction or waiver of any Vesting Conditions applicable to the Performance Rights held by the Holder.

4.4 Unless otherwise determined by the Board when it resolves to grant the Performance Right and subject to any Vesting Conditions applicable to the Performance Right, each Performance Right is granted on the terms set out in this paragraph 4.4 and the Rules and this Schedule generally:

(a) **Entitlement**

Each Performance Right entitles the Holder to be issued with one Share on:

- (i) if the Performance Right is an Exercisable Award, exercise of the Performance Right; or
- (ii) if the Performance Right is not an Exercisable Award, vesting of the Performance Right.

(b) **Vesting of Performance Rights**

- (i) Subject to the terms of grant and the Rules, Performance Rights will automatically vest on the Vesting Date.
- (ii) The Board may, in its absolute discretion, determine that Performance Rights may vest:
  - A. during or, in the Board's absolute discretion, immediately prior to a Takeover Period;
  - B. at any time after a Change of Control Event has occurred;
  - C. at any time after the announcement of a proposed capital reconstruction referred to in paragraph 4.4(j);
  - D. if the Company is admitted to the official list of ASX, following the occurrence and announcement by the Company of an event that in the opinion of the Board is likely to lead to the Company being removed from the official list of ASX;
  - E. within 12 months, in the event of the death or Permanent Disablement of a Participant, in respect of Performance Rights held by or on behalf of that Participant;
  - F. within 12 months, in the event of the cessation of a Participant's employment with a Group Company as a result of the Participant's position becoming redundant; or
  - G. if at the time of cessation of the Participant's employment some or all of the Vesting Conditions have been or will be substantially satisfied.

- (iii) If Performance Rights have vested and the Performance Rights are Exercisable Awards, they will be converted to Shares as soon as practicable thereafter.
- (iv) If, in the reasonable opinion of the Board, an Eligible Participant acts fraudulently or dishonestly in any material respect or is in material breach of his or her obligations to any Group Company, then, notwithstanding any other provision in these Rules, the Board may deem any unvested Performance Rights held by or on behalf of the Participant to have lapsed.

**(c) Exercise of Performance Rights**

- (i) This paragraph 4.4(c) applies if a Performance Right is an Exercisable Award.
- (ii) Subject to paragraph 4.4(c)(v), a Holder may not exercise Performance Rights before expiry of the Restricted Period.
- (iii) Subject to paragraph 4.4(c)(v), a Holder may only exercise Performance Rights during the Exercise Period.
- (iv) A Performance Right not exercised by the Expiry Date shall automatically lapse.
- (v) Notwithstanding paragraph 4.4(c)(iii), Performance Rights may be exercised:
  - A. during or, in the Board's absolute discretion, immediately prior to a Takeover Period;
  - B. at any time after a Change of Control Event has occurred;
  - C. at any time after the announcement of a proposed capital reconstruction referred to in paragraph 4.4(k);
  - D. if the Company is admitted to the official list of ASX, in the Board's absolute discretion, following the occurrence and announcement by the Company of an event that in the opinion of the Board is likely to lead to the Company being removed from the official list of ASX; or
  - E. in the Board's absolute discretion, within 12 months, in the event of the death or Permanent Disablement of a Participant, in respect of Performance Rights held by or on behalf of that Participant.
- (vi) If, in the reasonable opinion of the Board, an Eligible Participant acts fraudulently or dishonestly in any material respect or is in material breach of his or her obligations to any Group Company, then, notwithstanding any other provision in these Rules, the Board may deem any unexercised Performance Rights held by or on behalf of the Participant to have lapsed.

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(d) **Notice of exercise**

- (i) This paragraph 4.4(d), applies if a Performance Right is an Exercisable Award.
- (ii) Performance Rights may only be exercised by notice in writing to the Company which is signed by the Holder and delivered to the registered office of the Company. The notice must specify the number of Performance Rights being exercised (which must be no less than 500 and then in multiples of 100) and must be accompanied by the certificate or holding statement for those Performance Rights, for cancellation by the Company.

(e) **Issue of certificates**

Subject to paragraphs 4.4(b) and (c) above, within 10 Business Days of Performance Rights having:

- (i) vested, if not Exercisable Awards; or
- (ii) vested and been exercised, if Exercisable Awards,

the Company must:

- (iii) issue the number of Shares specified in the notice to the Holder;
- (iv) cancel the certificate or holding statement for the Performance Rights vested and exercised (as applicable); and
- (v) if applicable, issue a new certificate or holding statement for any remaining unvested or unexercised (as applicable) Performance Rights covered by the certificate or holding statement accompanying the notice.

(f) **Entitlements of Shares on vesting and exercise of Performance Rights**

All Shares issued upon the vesting or exercise (as applicable) of Performance Rights will be credited as fully paid and will be of the same class and rank equally in all respects with other Shares, and, in particular, entitle their holders to participate fully in:

- (i) dividends declared by the Company after the date of issue; and
- (ii) all issues of securities offered to holders of Shares where entitlements to participate in those issues are determined by reference to a record date after the date of issue of Shares issued upon the vesting or exercise (as applicable) of Performance Rights.

(g) **Transfer of Shares in lieu of issue of Shares**

If the Company is required to issue Shares to a Participant upon the exercise or vesting of Performance Rights under these Rules, the Board may, if permitted by law, in its sole and absolute discretion, elect to satisfy this requirement, in whole or part, by:

- (i) acquiring all or part of the relevant number of Shares on market on behalf of the Participant; and/or



- (ii) procuring the transfer of all or part of the relevant number of Shares from a third party to the Participant.

(h) **Quotation on ASX**

- (i) If existing Shares are officially quoted by ASX, the Company must apply for official quotation by ASX of all Shares issued pursuant to the vesting or exercise (as applicable) of Performance Rights not later than 10 Business Days after the date of issue.
- (ii) The Company will not apply to have the Performance Rights granted under the Plan quoted on ASX or any other stock exchange.

(i) **New issues**

Holders will only be permitted to participate in a pro rata issue of Shares to Shareholders on the prior vesting or exercise (as applicable) of Performance Rights. The Company must notify the Holder of the proposed issue at least 7 Business Days before the record date to determine entitlements to the pro rata issue.

(j) **Bonus issues**

- (i) If from time to time prior to the expiry of any Performance Rights the Company makes an issue of any class of Shares to Shareholders on a pro rata basis by way of capitalisation of profits or reserves (other than an issue in lieu of dividends) (**Bonus Issue**) then upon the vesting or exercise (as applicable) of a Performance Right, each Holder is entitled to have issued (in addition to the Shares which would otherwise be issued upon such vesting or exercise (as applicable)) the number of Shares of the class which would have been issued to the Holder under the Bonus Issue (**Bonus Shares**) if on the date on which entitlements to participate in the Bonus Issue were calculated the Holder had been registered as the holder of the number of Shares of which the Holder would have been registered as holder if immediately prior to that date the Performance Right had vested and the Shares the subject of such vesting or exercise (as applicable) had been duly issued.
- (ii) The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in relation to the Bonus Issue and upon issue rank equally in all respects with the other Shares of that class on issue at the date of issue of the Bonus Shares.

(k) **Reorganisation of capital**

- (i) In the event of a reorganisation (including a consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Performance Rights to which each Holder is entitled will be changed in the manner required by the Listing Rules and, in any case, in a manner which will not result in any benefits being conferred on holders of Performance Rights which are not conferred on Shareholders.
- (ii) The Company must give notice to each Holder of any adjustment to the number of Shares for which the Holder is entitled to pursuant to the provisions of paragraph 4.4(k).

(l) **Restrictions on disposal of Performance Rights**

A Holder must not sell, transfer, mortgage, pledge, charge, grant security over or otherwise dispose (a **Disposal**) of any Performance Rights, or agree to do any of those things without the prior consent of the Board or where such Disposal occurs by force of law.

(m) **Amendments required by ASX**

The terms and conditions of Performance Rights may be amended as necessary by the Company in order to comply with the Listing Rules (if applicable), or any directions of ASX (if applicable) regarding the Performance Rights, provided that, subject to compliance with the Listing Rules, the economic and other rights of the Holder are not diminished or terminated following such amendment.

**5. Cancellation of Performance Rights**

Notwithstanding any other provisions of these Rules, if the Board determines that some or all of the Performance Rights granted to a Participant should be cancelled on a specified date or on the occurrence of a particular event, then the Board may cancel those Performance Rights on the relevant date or on the occurrence of the particular event (as the case may be) for no consideration.

## Annexure A – Offer of Options

**[COMPANY LETTERHEAD]**

[date]

[Applicant's details]

Dear [name]

**Cosmo Metals Limited ACN 653 132 828  
Offer of Options under Equity Incentive Plan****1. Offer**

1.1 On behalf of the Board of Directors (**Board**), I am pleased to make the following offer to you to participate in the Equity Incentive Plan (**Plan**) of Cosmo Metals Limited (ACN 653 132 828) (**Company**).

1.2 The Company offers to grant to you the options (**Options**) as set out below (**Offer**):

<b>Number of Options:</b>	[insert]
<b>Exercise Price per Option:</b>	[\$[insert]]
<b>Expiry Date of Options:</b>	[insert]
<b>Performance Hurdles:</b>	[insert]
<b>Vesting Conditions:</b>	[insert]
<b>Exercise Conditions:</b>	[insert]
<b>Disposal Restrictions</b>	[insert]

1.3 The Options are granted pursuant to the terms of the Plan. A copy of the rules of the Plan (**Plan Rules**) is enclosed with this letter.

1.4 Each Option entitles you (being an “Eligible Participant” under the Plan Rules) to subscribe for one fully paid ordinary share in the capital of the Company (**Share**), on and subject to the terms of the Options set out in the Schedule to this letter and pursuant to the Plan Rules.

1.5 The Company confirms that subscription moneys are not required in respect of the grant of the Options.

1.6 Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth), which enables tax deferral on the options and performance rights issued under employee incentive

schemes, is intended to apply (subject to the conditions in that Act) to Options granted to you under this Offer. [Delete if tax deferral is not intended to apply.]

Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth), which enables tax deferral on the options and performance rights issued under employee incentive schemes, does not apply (subject to the conditions in that Act) to Options granted to you under this Offer. [Delete if tax deferral is intended to apply.]

## **2. Investment risks**

- 2.1 On the exercise of an Option, you will be issued one Share.
- 2.2 The Company is a limited liability company which means that holders of Shares (**Shareholders**) are not required to contribute any more capital for their Shares once those Shares have been fully paid for, even in the event of losses by the Company.
- 2.3 However, it is possible that, if there are losses or profits fall, Shareholders may not receive dividends or dividends may be reduced and the value of their Shares may fall.
- 2.4 The price of Shares as quoted on the Australian Securities Exchange is volatile and moves up and down with market sentiment as well as with factors which are specific to the Company. The amount which you may receive on the sale of Shares may be higher or lower than their present market price.
- 2.5 At any one point in time, the factors that may impact the value of Shares include the Company's financial position, exploration activities and exploration results, and external factors including:
  - (a) movements in the general level of share prices on local and international share markets;
  - (b) developments in the resources industry and other industries generally;
  - (c) the economic outlook in Australia and internationally;
  - (d) changes in government fiscal, monetary and regulatory policies;
  - (e) turnover and volatility of financial markets in Australia and overseas;
  - (f) changes in interest rates, inflation rates, exchange rates and commodity prices, particularly for gold; and
  - (g) acts of terrorism, the occurrence of hostilities or natural disasters.

## **3. Market price of Shares**

The market price of Shares in Australian dollars is available on the website of ASX under the company code "STA".

## **4. Independent advice**

- 4.1 Any advice given by the Company in relation to Options offered under the Plan does not take into account the objectives, financial situation and needs of any participant in the Plan.
- 4.2 As a participant, you should consider obtaining your own financial product advice from a person who is licenced by the Australian Securities & Investments Commission to give such advice.

**5. Acceptance of Offer**

If you would like to accept the Offer, please return the completed Options Acceptance Form enclosed with this letter to me at your earliest convenience and by no later than *[date]* so that we may make the necessary arrangements for the issue and grant of the Options.

Please contact us if you have any queries in relation to the above.

Yours faithfully

**[*name*]**

*[title]*

Cosmo Metals Limited

## Annexure B – Acceptance of Offer of Options

**Cosmo Metals Limited**  
ACN 653 132 828

**OPTIONS ACCEPTANCE FORM – EMPLOYEE INCENTIVE PLAN**

TO: Cosmo Metals Limited

[address]

I, ..... (full  
name)

of .....  
(address)

HEREBY ACCEPT THE OFFER FOR the following options (**Options**) in Cosmo Metals Limited (ACN 653 132 828) (**Company**) pursuant to the rules (**Plan Rules**) of the Company's Equity Incentive Plan (**Plan**) on the following terms and conditions:

<b>Number of Options:</b>	[insert]
<b>Exercise Price per Option:</b>	[\$insert]
<b>Expiry Date of Options:</b>	[insert]
<b>Performance Hurdles:</b>	[insert]
<b>Vesting Conditions:</b>	[insert]
<b>Exercise Conditions:</b>	[insert]
<b>Disposal Restrictions</b>	[insert]

Each of the Options entitles the Applicant (being an Eligible Participant under the Plan) to subscribe for one fully paid ordinary share in the capital of the Company (**Share**) on the terms of the Options and pursuant to the Plan Rules. No subscription monies are required in respect of the grant of an Option.

I agree to sign any further documents which may be required in connection with the acquisition of the Options which I have accepted.

I confirm that, upon exercise of the Options, I agree to be bound by the constitution of the Company and acknowledge that the Company is subject to ASX Listing Rules (and the discretionary powers of ASX).

---

Signature: ..... Date: .....

**Please sign and return the completed Acceptance Form to the Company Secretary of Cosmo Metals Limited as soon as possible (but in any event, before the closing time and date specified in the Offer).**

**To be completed by the Applicant**

Applicant Full Name (if a company, include ACN)	
Applicant Address	
Applicant Contact Name	
Applicant Contact Telephone Number	

## Annexure C – Option Certificate

**Cosmo Metals Limited**  
**ACN 653 132 828**

### OPTION CERTIFICATE

**REGISTERED OFFICE:** Cosmo Metals Limited  
[address]

**CERTIFICATE NUMBER:** [insert certificate number]

Issued under the authority of the Board of Directors of Cosmo Metals Limited (ACN 653 132 828) (**Company**).

THIS IS TO CERTIFY THAT:

The holder named below is the registered holder of the following Options exercisable over fully paid ordinary shares in the Company. The terms of the Options are as contained in the Company's Equity Incentive Plan Rules.

**[insert name of Option holder]**

**[insert address of Option holder]**

**[insert number] Options**

Dated this **[insert]** day of **[insert month]** **[insert year]**



Executed by **Cosmo Metals Limited (ACN )**  
**653 132 828)** in accordance with section  
127 of the Corporations Act: )  
)

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Signature of director

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Signature of secretary / director

---

Print name of director

---

Print name of secretary / director

## Annexure D – Notice of exercise of Options

**Cosmo Metals Limited**  
**ACN 653 132 828**

**NOTICE OF EXERCISE OF OPTIONS**

TO: Cosmo Metals Limited

[address]

I/we, ..... (full name)

of ..... (address)

being the registered holder(s) of Options hereby exercise ..... Options to  
subscribe for fully paid ordinary shares in the capital of Cosmo Metals Limited (ACN 653 132  
828) (**Company**).

I/we enclose application monies of \$ .....

I/we authorise you to register me/us as the holder of the shares to be issued and I/we agree  
to accept such shares and be bound by the constitution of the Company.

Payment can be made by:

- Cheque (made payable to the Company) and attached to this Notice of Exercise of Options;  
or
- Direct deposit to the Company:

Bank:

BSB:

Account no.:

Dated this .....day of .....20.....

Individual / Sole Director  
and Sole Company  
Secretary

Director

Director / Company  
Secretary



## Annexure E – Offer of Performance Rights

### [COMPANY LETTERHEAD]

[date]

[Applicant's details]

Dear [name]

**Cosmo Metals Limited (ACN 653 132 828)**  
**Offer of Performance Rights under Equity Incentive Plan**

### 1. Offer

- 1.1 On behalf of the Board of Directors (**Board**), I am pleased to make the following offer to you to participate in the Equity Incentive Plan (**Plan**) of Cosmo Metals Limited (ACN 653 132 828) (**Company**).
- 1.2 The Company offers to grant to you the performance rights (**Performance Rights**) as set out below (**Offer**):

<b>Number of Performance Rights:</b>	[insert]
<b>Exercise Price per Performance Right:</b>	[\$[insert] [Insert “nil” if no Exercise Price]
<b>Expiry Date of Performance Rights:</b>	[insert]
<b>Performance Hurdles:</b>	[insert]
<b>Vesting Conditions:</b>	[insert]
<b>Exercise Conditions:</b>	[insert]
<b>Disposal Restrictions</b>	[insert]

- 1.3 The Performance Rights are granted pursuant to the terms of the Plan. A copy of the rules of the Plan (**Plan Rules**) is enclosed with this letter.
- 1.4 Each Performance Right entitles you (being an “Eligible Participant” under the Plan Rules) to be issued one fully paid ordinary share in the capital of the Company (**Share**), on and subject to the terms of the Performance Rights set out in the Schedule to this letter and pursuant to the Plan Rules.
- 1.5 The Company confirms that subscription moneys are not required in respect of the grant of the Performance Rights.
- 1.6 Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth), which enables tax deferral on the options and performance rights issued under employee incentive

schemes, is intended to apply (subject to the conditions in that Act) to Performance Rights granted to you under this Offer. [Delete if tax deferral is not intended to apply.]

Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth), which enables tax deferral on the options and performance rights issued under employee incentive schemes, does not apply (subject to the conditions in that Act) to Performance Rights granted to you under this Offer. [Delete if tax deferral is intended to apply.]

## **2. Investment risks**

- 2.1 On the exercise of a Performance Right, you will be issued one Share.
- 2.2 The Company is a limited liability company which means that holders of Shares (**Shareholders**) are not required to contribute any more capital for their Shares once those Shares have been fully paid for, even in the event of losses by the Company.
- 2.3 However, it is possible that, if there are losses or profits fall, Shareholders may not receive dividends or dividends may be reduced and the value of their Shares may fall.
- 2.4 The price of Shares as quoted on the Australian Securities Exchange is volatile and moves up and down with market sentiment as well as with factors which are specific to the Company. The amount which you may receive on the sale of Shares may be higher or lower than their present market price.
- 2.1 At any one point in time, the factors that may impact the value of Shares include the Company's financial position, exploration activities and exploration results, and external factors including:
  - (a) movements in the general level of share prices on local and international share markets;
  - (b) developments in the resources industry and other industries generally;
  - (c) the economic outlook in Australia and internationally;
  - (d) changes in government fiscal, monetary and regulatory policies;
  - (e) turnover and volatility of financial markets in Australia and overseas;
  - (f) changes in interest rates, inflation rates, exchange rates and commodity prices, particularly for gold; and
  - (g) acts of terrorism, the occurrence of hostilities or natural disasters.

## **3. Market price of Shares**

The market price of Shares in Australian dollars is available on the website of ASX under the company code "STA".

## **4. Independent advice**

- 4.1 Any advice given by the Company in relation to Performance Rights offered under the Plan does not take into account the objectives, financial situation and needs of any participant in the Plan.
- 4.2 As a participant, you should consider obtaining your own financial product advice from a person who is licenced by the Australian Securities & Investments Commission to give such advice.

**5. Acceptance of Offer**

If you would like to accept the Offer, please return the completed Performance Rights Acceptance Form enclosed with this letter to me at your earliest convenience and by no later than **[date]** so that we may make the necessary arrangements for the issue and grant of the Performance Rights.

Please contact us if you have any queries in relation to the above.

Yours faithfully

**[name]**

*[title]*

Cosmo Metals Limited

## Annexure F – Acceptance of Offer of Performance Rights

**Cosmo Metals Limited**  
ACN 653 132 828

### PERFORMANCE RIGHTS ACCEPTANCE FORM – EMPLOYEE INCENTIVE PLAN

TO: Cosmo Metals Limited

[address]

I, \_\_\_\_\_ (full name)

of \_\_\_\_\_ (address)

HEREBY ACCEPT THE OFFER FOR the following performance rights (**Performance Rights**) in Cosmo Metals Limited (ACN 653 132 828) (**Company**) on the terms and conditions contained in the Company's letter of offer dated [date] and the rules (**Plan Rules**) of the Company's Equity Incentive Plan (**Plan**):

<b>Number of Performance Rights:</b>	[insert]
<b>Exercise Price per Performance Right:</b>	[\$[insert] [Insert "nil" if no Exercise Price]
<b>Expiry Date of Performance Rights:</b>	[insert]
<b>Performance Hurdles:</b>	[insert]
<b>Vesting Conditions:</b>	[insert]
<b>Exercise Conditions:</b>	[insert]
<b>Disposal Restrictions</b>	[insert]

Each of the Performance Rights entitles the Applicant (being an Eligible Participant under the Plan Rules) to subscribe for one fully paid ordinary share in the capital of the Company on the terms of the Performance Rights and pursuant to the Plan Rules. No subscription monies are required in respect of the grant of a Performance Right.

I agree to sign any further documents which may be required in connection with the acquisition of the Performance Rights which I have accepted.

I confirm that, upon exercise of the Performance Rights, I agree to be bound by the Constitution of the Company and acknowledge that the Company is subject to ASX Listing Rules (and the discretionary powers of ASX).

Signature: ..... Date: .....

**Please sign and return the completed Acceptance Form to the Company Secretary of Cosmo Metals Limited as soon as possible (but in any event, before the closing time and date specified in the Offer).**

**To be completed by the Applicant**

Applicant Full Name (if a company, include ACN)	
Applicant Address	
Applicant Contact Name	
Applicant Contact Telephone Number	



## Annexure G – Performance Rights Certificate

**Cosmo Metals Limited**  
**ACN 653 132 828**

### PERFORMANCE RIGHTS CERTIFICATE

**REGISTERED OFFICE:** Cosmo Metals Limited

[address]

**CERTIFICATE NUMBER:** [insert certificate number]

Issued under the authority of the Board of Directors of Cosmo Metals Limited (ACN 653 132 828) (**Company**).

THIS IS TO CERTIFY THAT:

The holder named below is the registered holder of the following Performance Rights in relation to fully paid ordinary shares in the Company. The terms of the Performance Rights are as contained in the Company's letter of offer dated [date] and the Company's Equity Incentive Plan Rules.

**[insert name of Performance Right holder]**

**[insert address of Performance Rights holder]**

**[insert number] Performance Rights**

Dated this [**date**] day of [**month**] [**year**]

Executed by **Cosmo Metals Limited (ACN )**  
**653 132 828)** in accordance with section  
127 of the Corporations Act: )  
)

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Signature of director

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Signature of secretary / director

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Print name of director

---

Print name of secretary / director

## Annexure H – Performance Rights Certificate

**Cosmo Metals Limited**  
ACN 653 132 828

### NOTICE OF EXERCISE OF PERFORMANCE RIGHTS

TO: Cosmo Metals Limited

[address]

I/we, ..... (full name)

of ..... (address)

being the registered holder(s) of Performance Rights hereby exercise .....  
Performance Rights to subscribe for fully paid ordinary shares in the capital of Cosmo Metals Limited (ACN 653 132 828) (**Company**).

[Delete paragraph if Exercise Price is nil.] I/we enclose application monies of \$ .....

I/we authorise you to register me/us as the holder of the shares to be issued and I/we agree to accept such shares and be bound by the constitution of the Company.

[Delete paragraph if Exercise Price is nil.] Payment can be made by:

- Cheque (made payable to the Company) and attached to this Notice of Exercise of Performance Rights; or
- Direct deposit to the Company:

Bank:

BSB:

Account no.:

Dated this .....day of .....20.....

Individual / Sole Director  
and Sole Company  
Secretary

Director

Director / Company  
Secretary