

A red crosshair graphic consisting of a vertical line and a horizontal line intersecting at the center.

## **Employee incentive plan**

**Oceana Lithium Limited**  
**ACN: 654 593 290**

The Company has established an employee incentive plan (**Incentive Plan**), the material terms of which are as follows:

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**1 PURPOSE OF THE PLAN**

The purpose of the Plan is to:

- (a) provide an incentive for Eligible Participants to participate in the future growth of the Company and, upon becoming shareholders, to participate in the Company's profits and development;
- (b) ensure that securities issued under the Equity Incentive Plan are issued in accordance with the Corporations Act and the Listing Rules.

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**2 PARTICIPANTS IN THE PLAN**

The Board may offer Options and/or Performance Rights (**Incentive Securities**) to persons (**Plan Participants**) who are Directors, employees or consultants of the Company based on a number of criteria including potential contribution to the Company in the future and other factors the Board considers relevant and on such issue terms as the Directors see fit.

Upon receipt of such an offer, the Plan Participant may nominate a nominee acceptable to the Board to be issued with the Incentive Securities.

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**3 NUMBER OF INCENTIVE SECURITIES**

The maximum number of Incentive Securities issued under the Plan over a 3 year period is 5% of the total number of fully paid ordinary shares on issue in the Company at any time (on a fully diluted basis), and in any event will be no more than 3,220,000 Shares or such other amount as determined by the Company's shareholders from time to time.

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**4 TERMS OF INCENTIVE SECURITIES**

- (a) An uncertified holding statement will be issued for the Incentive Securities;
- (b) The Incentive Securities shall lapse on the earliest of the relevant dates set out below (**Expiry Date**):
  - (i) the date on which the Plan Participant's appointment with the Company is terminated for cause;
  - (ii) unless the Board agrees otherwise, the Participant's resignation or employment or engagement with the Company or an associated body corporate is terminated;
  - (iii) the date specified by the Board upon the grant of an Incentive Securities.
- (c) Incentive Securities shall be issued subject to such vesting conditions as the Board determines.

- (d) Each Incentive Security shall carry the right in favour of the Plan Participant to be issued one (1) Share upon:
  - (i) in the case of Options, vesting of the Option and (if applicable) payment of the Option exercise price determined by the Board in its discretion (Exercise Price); and
  - (ii) In the case of Performance Rights, vesting of the Performance Rights.
- (e) The Option Exercise Price shall be payable in full on exercise of the Options.
- (f) The Options held by each Option holder may be exercised in whole or in part, at any time upon any vesting conditions being satisfied, up to and including the Expiry Date by the delivery to the registered office of the Company of a notice in writing stating the intention of the Plan Participant to:
  - (i) exercise all or a specified number of Options; and
  - (ii) pay the Exercise Price by way of subscription monies in full for the exercise of each Option.

The notice must be accompanied by a cheque made payable to the Company for the subscription monies for the shares. An exercise of only some Options shall not affect the rights of the Plan Participant to the balance of the Options held by the Plan Participant, subject to any vesting conditions.

- (g) The Company shall allot the resultant shares and deliver the share certificate or uncertified holding statement within 5 business days of the exercise of the Options or vesting of Performance Rights (as the case may be).
- (h) Incentive Securities shall not be listed for Official Quotation on ASX.
- (i) The Incentive Securities are not transferable except to an associate (as defined in the Corporations Act) of the Plan Participant or nominee approved by the Board in its discretion.
- (j) Shares allotted pursuant to an exercise of the Options or vesting of Performance Rights shall rank from the date of allotment, equally with existing fully paid ordinary shares in all respects.
- (k) The Company shall, in accordance with the Listing Rules, make application to have Shares allotted pursuant to an exercise of Options or vesting of Performance Rights listed for Official Quotation on ASX.
- (l) In the event of a reconstruction (including consolidation, subdivision, reduction or return of the issued capital of the Company), all rights of the Plan Participant shall be reconstructed in accordance with the Listing Rules.
- (m) Subject to paragraph 4(l), the Plan Participant shall have no rights to a change in the Exercise Price of an Option or a change to the number of Shares over which an Option can be exercised.

- (n) If the Company enters into a scheme of arrangement, a takeover bid is made for the Company's shares, or a party acquires a sufficient interest in the Company to enable them to replace the Board (or the Board forms the view that one of those events is likely to occur) then the Board may declare an Option to be free of any conditions of exercise. Options which are so declared may be exercised at any time on or before they lapse.
- (o) There are no participating rights or entitlement inherent in the Incentive Securities and Plan Participants will not be entitled to participate in new issues of securities offered to Shareholders of the Company during the currency of the Incentive Securities.

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## **5 TAXATION**

Under current taxation laws any taxation liability in relation to the Incentive Securities, or the Shares issued on exercise of the Options or vesting of Performance Rights, will fall on the Plan Participants.

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## **6 LAPSE**

If at any time before the exercise of an Incentive Securities, the holder of the Incentive Securities ceases to be an Eligible Employee, all Incentive Securities held by the Eligible Employee will automatically lapse unless the Board otherwise determines.

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## **7 PARTICIPATION BY DIRECTORS**

Although Directors are eligible to be offered Incentive Securities under the Plan, this requires specific shareholder approval due to the requirements of the ASX Listing Rules and the Corporations Act.

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## **8 ADMINISTRATION OF THE PLAN**

The Incentive Plan will be administered under the directions of the Board and the Board may make regulations and establish procedures for the administration and management of the Incentive Plan as it considers appropriate.

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## **9 OPERATION**

The operation of the Incentive Plan is subject to the ASX Listing Rules and the Corporations Act.